



CITY OF  
**HAYWARD**  
HEART OF THE BAY

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**DATE:** December 16, 2008

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Implementation of a Fifty-Two Hour Furlough and Authorizing the Holiday Closure of Non-Essential City Operations between December 22, 2008 and January 2, 2009.

**RECOMMENDATION**

It is recommended that the City Council approve the attached Resolution which authorizes the implementation of a fifty- two hour furlough for the following bargaining units: Local 1021, Local 21 and HAME, and which also authorizes the holiday closure of non-essential City operations for two weeks during the Christmas and New Year's holiday, between December 22, 2008 and January 2, 2009.

**BACKGROUND**

The City of Hayward is facing a projected \$5 to \$7 million shortfall in General Fund Revenues for FY09. Despite the very conservative "no growth" estimates that were projected for this fiscal year, the severe national economic recession has impacted our revenues significantly. All of the factors impacting our budget are beyond our control. The national credit market failure, the free fall of the housing market, the decline in consumer confidence, the failing auto industry, the increasing corporate bankruptcies and now the ascending unemployment rates have created the worst economic environment in decades. The City is experiencing shortfalls in sales tax, property transfer tax, development revenues, and vehicle license fees and expects to experience a significant property tax shortfall in the future.

It is imperative that the city take immediate measures to curtail expenditures to compensate for the loss in revenues. Given the fact the 79% of the General Fund budget pays for salaries, reduction of personnel expenditures is necessary to offset declining revenues.

**DISCUSSION**

The City Manager was authorized by the City Council to negotiate the implementation of a 52 hour furlough with the following bargaining units: Local 1021 which includes Maintenance, Clerical and Confidential; Local 21 and HAME. Police, Fire and the Unrepresented Employees, as well as Mayor and Council, had previously taken COLA reductions for FY 09.

The three bargaining groups have voluntarily approved the implementation of the Furlough Program. The majority of the employees will take their furlough during the holiday closure of non-critical City services. Those employees who have to work during the holiday closure will have until the end of June to make up their furlough hours. In order to mitigate the financial impact of the furlough, full-time employees will have 4 hours reduced from their pay for 13 pay periods beginning in January.

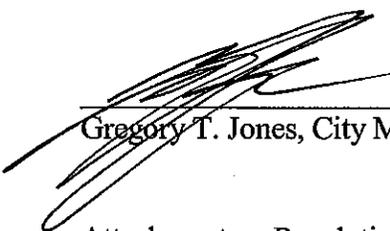
In order to facilitate the Furlough Plan, City Hall and the Libraries will be closed for the 2 week holiday period, starting Monday December 22, 2008 through Friday, January 2, 2009. Only those staff members required to perform critical services will work during the closure. A significant communication campaign will be initiated to advise the public of the closure.

### **FISCAL AND ECONOMIC IMPACT**

The 52 hour furlough represents a 2.5% reduction in annual pay. It is anticipated that the Furlough will generate approximately \$600,000 in General Fund salary savings. Additional salary savings of approximately \$300,000 will be recognized by Non-General Funds such as Water and Wastewater and RDA. Other expenditure savings related to facilities closures include electricity, natural gas, fuel and janitorial services.

There may be a slight delay in revenue receipts and booking of revenues due to office closures, but this loss will be very minimal compared with the cost savings realized by the closure.

Approved by:



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Gregory T. Jones, City Manager

Attachment: Resolution

DRAFT *YSC 12-8-08*

HAYWARD CITY COUNCIL

RESOLUTION NO. 08-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE IMPLEMENTATION OF  
A FIFTY-TWO HOUR FURLOUGH AND AUTHORIZING THE  
HOLIDAY CLOSURE OF NON-ESSENTIAL CITY  
OPERATIONS BETWEEN DECEMBER 22, 2008 AND  
JANUARY 2, 2009

WHEREAS, the City Council of the City of Hayward authorized the City Manager to negotiate the implementation of a fifty-two hour furlough with the Local 1021, Local 21, and HAME bargaining units; and

WHEREAS, Police, Fire and the Unrepresented Employees have previously taken COLA reductions for FY 09; and

WHEREAS, the three bargaining units have voluntarily approved the implementation of the Furlough Program and the majority of employees will take their furlough during the holiday closure of City Hall's non-essential operations between December 22, 2008 and January 2, 2009; and

WHEREAS, full-time employees will have 4 hours reduced from their pay for 13 pay periods beginning January 2009, in order to mitigate the financial impact of the furlough.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes the fifty-two hour furlough and the closure of all non-essential City operations between December 22, 2008 and January 2, 2009.

IN COUNCIL, HAYWARD, CALIFORNIA December 16, 2008

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward