



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** April 27, 2020

SUBJECT: Approve reduction in salary for civil service employees, general service employees and contract employees (City Manager, City Secretary, City Attorney, and Municipal Court Clerk) by 2.5% for the remainder of 2019/2020 fiscal year through September 30, 2020.

PRESENTER: Mark Hindman, City Manager

SUMMARY:

The City Council is requested to approve reduction in salary for civil service employees, general service employees and contract employees (City Manager, City Secretary, City Attorney, and Municipal Court Clerk) by 2.5% for the remainder of 2019/2020 fiscal year through September 30, 2020. This salary reduction is necessary to offset revenue reductions resulting from the closure and restriction of many local businesses as a result of the COVID-19 pandemic response.

GENERAL DESCRIPTION:

Restrictions and closures of many businesses in order to minimize the spread of the coronavirus COVID-19 has created a significant impact on the local economy and has created a reduction in City revenues below the amount projected in the 2019/2020 Budget. In order to compensate for the reduction in expenditures, City staff has instituted a hiring freeze on most positions, restricted training budgets, and reduced operating expenditures. As a service based business, much of the expense in the City budget is related to compensation for City employees. Therefore, it is difficult to make any meaningful budget adjustments without impacting employee compensation. After evaluating various alternatives, City staff is recommending a temporary reduction in base salary for all full-time employees from April 25, 2020 through the end of the fiscal year on September 30, 2020. Budgetary estimates project the City-wide savings of this salary reduction to be between \$450,000 and \$500,000.

In accordance with the Civil Service provisions of the City Charter, the City Council must authorize an amendment to the salary plans necessary to implement the temporary salary reduction. In addition, the Municipal Court Clerk, City Secretary, City Attorney and City Manager are each employed through employment agreements approved by the City Council. Each of these employees is in agreement with the 2.5% base pay reduction from April 25, 2020, through September 30, 2020.

The City Council is requested to approve a reduction in salary for civil service employees, general service employees and contract employees (City Manager, City



Secretary, City Attorney, and Municipal Court Clerk) by 2.5% for the remainder of 2019/2020 fiscal year through September 30, 2020.

RECOMMENDATION:

Approve reduction in salary for civil service employees, general service employees and contract employees (City Manager, City Secretary, City Attorney, and Municipal Court Clerk) by 2.5% for the remainder of 2019/2020 fiscal year through September 30, 2020.