

RESOLUTION No:

Recognize the global financial crisis, statewide cuts in programs and services, and ongoing fiscal constraints for FY 2009-10 and 2010-11 City of Portland budgets, and freeze merit raises in FY 2009-10 for non-represented City employees (Resolution)

WHEREAS, our nation is experiencing an economic downturn unprecedented in most of our lifetimes; and

WHEREAS, many citizens working in public service and private businesses are experiencing layoffs, reduced compensation, and other impacts of the global financial crisis; and

WHEREAS, many of Portland's citizens and businesses paying taxes, fees, and rates are struggling economically; and

WHEREAS, the recent layoffs of City of Portland Bureau of Development Services employees is evidence of a continued lack of recovery in the economy; and

WHEREAS, the City's budget analysts predict revenue from Business Licenses will fall \$10.4 million in 2010, from \$66 million in 2008-9 to \$55.6 million in 2009-10; and

WHEREAS, the City's budget for Fiscal Year (FY) 2009-10 includes \$8.8 million in ongoing cuts to City employees and programs; and

WHEREAS, Multnomah County cut \$22.3 million from their budget in 2009-10, after the voluntary sacrifice of a pay freeze with no step or COLA raises by most union employees, matched by all non-represented employees; and

WHEREAS, TriMet is cutting \$23.9 million in the FY 2009-10 budget, freezing non-represented employees' salaries, and instituting a hiring freeze; and

WHEREAS, the State of Oregon is considering cuts to programs and services in FYs 2009-11 by approximately \$2 billion, with 1,700 jobs lost; and

WHEREAS, the City Council approved 2009-10 cost of living adjustments (COLA) for non-represented employees to promote equity between union and non-union employees; and

WHEREAS, the economic recovery is uncertain and the City may face even deeper cuts in FY 2010-11; and

WHEREAS, the City policy on performance management for non-represented employees allows for up to a 4.1% merit pay increase for every eligible employee every year based on performance as documented in a written performance evaluation, and implementation

of this policy varies from bureau to bureau depending on the Commissioner in Charge; and

WHEREAS, the Council recognizes that many non-represented employees do outstanding work in the service of the people of Portland, often for low compensation, and their excellent work would be appropriate for merit pay increases absent the current economic crisis; and

WHEREAS, suspending merit raises for non-represented employees for one fiscal year who represent less than ¼ of the full time permanent City Workforce, will save approximately \$2.7 million in ongoing funds which can be used to offset future loss of jobs, and increased rates to Portland citizens; and

WHEREAS, Council recognizes that greater savings could be recognized for the City if represented employees unions were to suspend step increases for one fiscal year as well but that Council is otherwise bound by contract in this regard.

NOW, THEREFORE BE IT RESOLVED, that the City of Portland suspends merit raises for non-represented City employees for one fiscal year beginning July 1, 2009; and

BE IT FURTHER RESOLVED, that the funds allocated in the FY 2009-10 budget for merit raises for non-represented employees shall be set aside in each bureau as follows:

In General Fund bureaus, to be put into a dedicated fund to be utilized to offset layoffs of non-represented employees due to the downturn in the economy for fiscal year 2009-10 and 2010-11.

In Non-General Fund bureaus, to be put into a dedicated fund to be utilized to offset increases in rates and fees needed for 2010-11, to offset layoffs and to continue to provide the level of service by non-represented employees needed by Portland's ratepayers

BE IT FURTHER RESOLVED, that if the economy recovers by the end of the 2009-10 fiscal year and no job cuts to non-represented employees are proposed in the 2010-11 budget, non-represented employees would be eligible for merit increases in June 2010 for FY 2009-10, retroactive to their anniversary date;

BE IT FURTHER RESOLVED, that City Council directs the Bureau of Human Resources to prepare material for a Council work session no later than 10/31/09 on consistent implementation of merit raise approval policies across bureaus and potential alternatives including possible changes to the City Code to require an affirmative Council vote annually to approve merit raises; and

BE IT FURTHER RESOLVED, that non-represented employees who are not eligible for raises due to being at the top of their pay scale, and represented employees who wish to contribute to the spirit of sacrifice and service intended by this Resolution, are

encouraged to take voluntary furlough days to reduce their 2009-10 fiscal year income by the level of the customary merit raises (4.1%) and/or COLA (2.8%), as specified in Council Resolution # 36686; and

BE IT FURTHER RESOLVED, that the City Council acknowledges the excellent work and dedication of City employees, and asks employees and citizens to submit suggestions for alternative incentives and/or rewards that the City could implement to acknowledge meritorious work, and other innovative ideas for an improved working environment providing ongoing excellent service for Portland's citizens.

Adopted by the Council:

Commissioner Fritz

Prepared by:
Commissioner Fritz
June 18, 2009

LaVonne Griffin-Valade
Auditor of the City of Portland

By
Deputy