



Office of the City Manager

INFORMATION CALENDAR
June 25, 2013

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Teresa Berkeley-Simmons, Budget Manager, City Manager's Office

Subject: Voluntary Time Off Program For FY 2014

INTRODUCTION

As a citywide cost-saving measure, the City Manager is designating 16 Voluntary Time Off (VTO) days in FY 2014 and authorizing certain City offices and non-essential services to temporarily close for those days.

CURRENT SITUATION AND ITS EFFECTS

The proposed 16 VTO dates are 12 fewer dates than FY 2013; we have decided to return the number of VTO days back to the original configuration established in 2004 for reasons described further below. In FY 2014 City offices will generally close on the second Friday of every month, with additional closure days during the last week of December 2013. The following are the FY 2014 VTO dates:

Date (2013)	Day	Date (2014)	Day
July 12	Friday	January 10	Friday
August 9	Friday	February 14	Friday
September 13	Friday	March 14	Friday
October 11	Friday	April 11	Friday
November 8	Friday	May 9	Friday
December 13	Friday	June 13	Friday
December 23	Monday		
December 24	Tuesday		
December 26	Thursday		
December 27	Friday		
	10 days (2013)		6 days (2014)

The Voluntary Time Off Program closes City offices on designated days, which allows staff to take paid (vacation) or unpaid leave, or voluntarily report to work. In addition to reducing expenditures based on employees taking leave without pay, the VTO closures have permitted staff to reduce their vacation leave balances, which in turn has allowed

the City to eliminate the costly past practice of buying back or paying off accrued vacation leave balances.

Over the course of the program, staff has tracked the impact the VTO days had on City services. While VTO days were, in general, not having a significant detrimental effect on the City's ability to provide quality services, inconveniences to residents and business owners were mitigated in several ways, including keeping the 311 Customer Call Center open on VTO days, adjusting due-dates for fines, and posting clear signs in advance of closure dates. In addition, many services remain open on VTO days, including Police, Fire, Public Works Zero Waste, Senior Centers, the Rent Stabilization Board, Libraries and the Animal Shelter.

As noted above, the primary purpose of the VTO program is to generate savings to help eliminate annual fiscal shortfalls. The chart below reflects the annual savings for the current fiscal year and the three prior years. In FY 2011, additional VTO days were added to the program as part of an agreement with several bargaining units whereby members of those units agreed to take a specific number of days off in order to reach a targeted savings level. That year, savings of almost \$1.5 million was achieved. Those agreements terminated at the end of that year. The following two years, savings from the program returned to prior levels, however management kept the number of days the same as in FY 2011. Thus, given the intended purpose of the program, we are now returning the number of days to the original configuration.

**Voluntary Time Off
FY 2010 through FY 2013 (projected)**

Fiscal Year	Number of VTO days	All Funds Savings	Average savings per day
2010	19	\$ 760,000	\$ 40,000
2011*	29	\$ 1,477,619	\$ 50,952
2012	28	\$ 731,723	\$ 26,133
2013	28	\$ 627,681	\$ 22,417

* As part of the efforts to eliminate the FY 2011 deficit, the City closed one additional Friday each month, as well as the last week of December, for a total of 29 VTO days

BACKGROUND

The concept for a Voluntary Time Off Program was proposed in 2004 by the labor unions representing non-sworn employees as an alternative to a temporary closure of City offices and mandatory staff layoffs. A VTO Program closes City offices on designated days, which allows staff to take paid (vacation) or unpaid leave, or voluntarily report to work. In addition to reducing expenditures based on employees taking leave without pay, the VTO closures have permitted staff to reduce their vacation leave balances, which in turn has allowed the City to eliminate the costly past practice of "buying back" or paying off accrued vacation leave balances.

The City's labor agreements with all of the City's non-sworn bargaining units include language that eliminates the City's obligation to buy back up to four (4) weeks of vacation leave. The City manages the use of vacation leave and requires, if necessary, that employees use sufficient vacation leave to maintain leave balances below a 320-hour threshold. The continuation of the VTO program into FY 2014 will enable employees to keep their vacation balances below 320 hours and result in cost savings to the City.

Service Impacts: Many key services remain open to the public while other services can be provided on an appointment basis.

During VTO days, customer service counters at the Permit Service Center and Finance Customer Service Center are closed. When 1947 Center Street offices are closed and access to the drop box for Finance Customer Service payments is cut off, customers are redirected through signage to the Rent Board Office at 2125 Milvia Street. Building inspection services continue to be available to the public where City approvals are required for time-sensitive projects and public noticing through the press, voicemail messages, signs, and special outreach to unique department clients will continue.

POSSIBLE FUTURE ACTION

Staff anticipates continuing the VTO program for the biennial budget cycle.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Cost savings are achieved on an annual basis from the VTO program.

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