


Office of the City Manager

ACTION CALENDAR

October 12, 2004

To: Honorable Mayor and
Members of the City Council

From:  Phil Kamlarz, City Manager

Subject: Voluntary Time Off Program and Temporary Closure of Select City Offices

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to implement a Voluntary Time Off Program (VTO) that results in the temporary closure of some City offices and non-essential services for certain days during Fiscal Year 2005, and which permits staff to voluntarily take time off on those days, resulting in immediate cost savings to the City of Berkeley.

FISCAL IMPACTS OF RECOMMENDATION

The implementation of a VTO program will allow the City to reduce its unfunded vacation payout liability and generate salary savings. It is difficult to quantify an actual salary savings amount, since it is unknown how many employees will opt to take leave without pay. In FY 2004, the City spent \$500,000 in unbudgeted forced vacation payout for employees that exceeded the 320-hour vacation accrual limit. We hope that VTO will greatly reduce excessive vacation balances and allow us avoid this unbudgeted cost in FY 2005. We will monitor the program and will update Council periodically on its progress, with overall results available by the end of March, 2005 (the end of the annual vacation accrual period).

CURRENT SITUATION AND ITS EFFECTS

A Voluntary Time Off Program essentially designates certain days City offices are closed to the public. The voluntary nature of the program provides the employee three options (subject to department needs):

1. Reporting to work for pay,
2. Using accrued vacation leave, or
3. Taking leave without pay.

Five regular workdays have been initially identified this calendar year for the temporary closure of City offices. The proposed dates are Friday, November 12, 2004; and four workdays included in the period of Saturday, December 25, 2004 through Sunday, January 2, 2005. There is a possibility that additional days could be added during calendar year 2005, pending an evaluation of the actual fiscal and service impacts of the VTO program for the days cited above.

Emergency services such as Police, Fire, and other critical services such as Refuse would not participate in the program. Other services considered essential would either be on duty or provided on a call-back basis. The Library system would not participate in the VTO program

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during calendar year 2004, however, it may opt to take advantage of the program, if approved and continued into 2005.

Department Directors have already identified those staff positions that are required to work to ensure coverage for emergency situations. Customer service counters at the Permit Service Center and Finance Customer Service Center would be closed, however, certain building inspection services would continue to be available to the public where City approvals are required for time-sensitive matters. The Animal Shelter would remain open and operate on a skeleton crew. It is envisioned that minimal administrative functions, including payroll and internal mail delivery, would be necessary.

If the program is approved for implementation, City staff will notify the public of the temporary office closures through press release information, website postings, advance posting of signs at building entrances and at all service counters.

BACKGROUND

The concept for a Voluntary Time Off Program was proposed by the labor unions representing non-sworn employees as an alternative to a temporary closure of offices and *mandatory* staff layoffs (or MDO – Mandatory Days Off). The need for a program of this type is the direct result of the on-going budget crisis facing the City.

Each fiscal year, the City is obligated to pay employees for vacation leave that has accrued in excess of 320 hours and/or purchase excess vacation leave through a “buy-back” program. This expense is significant each year (close to \$1.5 million in FY 2004), and management efforts are underway to reduce this liability by requiring employees to take their earned vacation leave. We can attain significant savings through implementation of a VTO program.

RATIONALE FOR RECOMMENDATION

The VTO program will reduce the City’s vacation leave liability this fiscal year, and the initial dates that are proposed are believed to be minimally disruptive to the public and overall service delivery.

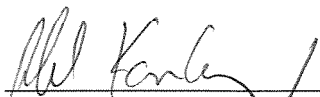
ALTERNATIVE ACTIONS CONSIDERED

Among the options that were considered, but not ruled out for the future, is the combined mandatory closure of City facilities and temporary layoffs of staff. A VTO program may result in a near comparable financial benefit to the City, therefore it is being tested this fiscal year.

CONTACT PERSONS

Dave Hodgkins, Acting Director of Human Resources, 981-6800
Tracy Vesely, Budget Manager, 981-7000

Approved By,



Phil Kamlarz, City Manager

RESOLUTION NO. – N.S.

AUTHORIZING THE CITY MANAGER TO IMPLEMENT A VOLUNTARY TIME OFF PROGRAM (VTO) THAT RESULTS IN THE TEMPORARY CLOSURE OF SOME CITY OFFICES AND NON-ESSENTIAL SERVICES FOR CERTAIN DAYS DURING FISCAL YEAR 2005 AND WHICH PERMITS STAFF TO VOLUNTARILY TAKE TIME OFF ON THOSE DAYS, RESULTING IN IMMEDIATE COST SAVINGS TO THE CITY OF BERKELEY

WHEREAS, the implementation of a VTO program for five or more days will reduce the City's vacation payout liability and reduce the cost of "buying back" accrued vacation leave this fiscal year; and

WHEREAS, savings will be achieved either through direct salary savings or reduced vacation liability; and

WHEREAS, the need for a program of this type is the direct result of the on-going budget crisis facing the City this fiscal year and in the near future; and

WHEREAS, the dates of Friday, November 12, 2004; and four workdays included in the period of Saturday, December 25, 2004 through Sunday, January 2, 2005 have been identified as office closure dates and that a possibility exists that additional days could be added during calendar year 2005; and

WHEREAS, public safety of the City will continue to be covered by the Police and Fire Departments, and the Public Works Solid Waste division will continue to provide services; and

WHEREAS, significant reductions in cost can be attained through implementation of a VTO program.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to implement a Voluntary Time Off Program (VTO) that results in the temporary closure of some City offices and non-essential services for certain days during Fiscal Year 2005, and which permits staff to voluntarily take time off on those days resulting in immediate cost savings to the City of Berkeley.

