



# MEMORANDUM

TO: Mayor, Chairman, City Council, Trustees

FROM: Grayson Bottom, City Manager

DATE: August 13, 2010

SUBJECT: Elimination of furlough days, removal of longevity pay reduction, and restoration of reduced salaries

During our budget workshops we instituted 12 furlough days for each non exempt employee, reduced the longevity pay by \$500 and reduced the salaries of exempt employees by 2.143%. This was done in contemplation of a sizeable reduction in the cash forward position (reserves) of the City's General Fund. Due to the Staff's strict adherence to the hiring freeze guidelines as well as their cost containment efforts, the reduction was not as large as originally projected. I believe that they should be commended for their effort.

I am requesting that you affirm the action of the City Treasurer and I to transfer the necessary funds to eliminate furlough days, remove the longevity pay reduction, and restore the salaries of exempt employees. As you will remember, we built in sufficient contingencies into each fund budget to allow us to take this action by simply moving the necessary funds from the contingency accounts to the appropriate payroll accounts. There is no need for the preparation and approval of a budget amendment or a supplemental budget. This can be accomplished by the signature of the City Treasurer and the City Manager. However, due to the scope of this action we are seeking your concurrence.

We will continue to hold the line on hiring and cost containment measures as budgeted. Please be aware that these transfers are from the already budgeted contingency accounts and not from the unencumbered cash forward reserves. The following is a summary of the necessary transfers.

Contingency Reserve for each Fund	Original Budget	Necessary Transfer	Remaining Contingency Reserve Balance
General Fund	\$200,000	\$111,481	\$88,519
Public Works	\$100,000	\$12,155	\$87,845
Solid Waste	\$50,000	\$13,373	\$36,627
Parks & Recreation	\$100,000	\$23,388	\$76,612
Industrial Authority	\$10,000	\$3,652	\$6,348
Central Garage	\$18,000	\$1,111	\$16,889
<b>Totals</b>	<b>\$478,000</b>	<b>\$165,160</b>	<b>\$312,840</b>