



City of Placerville MEMORANDUM

DATE: March 31, 2009

TO: City Council

FROM: John Driscoll, City Manager/City Attorney
Dave Warren, Finance Director

SUBJECT: **APPROVAL OF ADDENDUM TO MEMORANDUM OF UNDERSTANDING/GENERAL SERVICES UNIT**

RECOMMENDATION

That the City Council adopt a resolution approving an Addendum to the current Memorandum of Understanding between the City and the International Union of Operating Engineers, Local 39, representing the General Services Unit, and authorize the Mayor and City Manager to execute the Addendum on behalf of the City of Placerville.

DISCUSSION

The City's operating budget is entirely dependent upon the economic conditions that prevail in the community and legislative actions of the State of California. Given the continuing severe economic recession and its impact on the City's budgeted revenues and expenditures, the City and the International Union of Operating Engineers, Local 39, representing the General Services Unit, reached an agreement on a Cost Savings Plan (please see attached Addendum) to reduce salaries by five percent (5%) effective March 21, 2009, and up to a maximum of ten percent (10%) through the end of this fiscal year. In exchange for the reduction in salary, the City will provide an equivalent amount in unpaid leave.

The City and employees agreed to meet on or about June 15, 2009, to discuss the extension of this Addendum for Fiscal Year 2009/2010.

These are serious economic times and this loss of salary will be hard on employees' budgets, but the City will not lay off any employees in this Unit during the remainder of

this fiscal year. The City and employees worked together to save jobs and cut costs, and this spirit of protecting and looking out for each other will not only help us to get through this, but it also brings us closer as families and community in these tough economic times.

Respectfully submitted,

John Driscoll
City Manager/City Attorney

Dave Warren
Finance Director