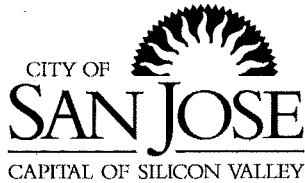


MAR 13 2009

by City Manager's Office



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone

SUBJECT: MANAGEMENT OF VACANCIES
AND LAYOFFS

DATE: March 13, 2009

INFORMATION

A recent Mercury News editorial and article left questions unanswered about how the City of San José manages vacancies and layoffs. I want to make sure you have the information you need in order to respond to any questions you might receive from your constituents.

As you are aware, San José has been smart and prudent in how we manage our workforce and proactive in our management of vacancies. We uphold two values in our approach to layoffs—to be fiscally responsible to the taxpayers, and to treat our employees with respect and dignity.

Whenever positions become vacant due to the natural turnover of the workforce, we first evaluate whether that position needs to be filled based on whether the work being performed is a necessary ongoing service to the community. If the answer is no, the vacant position will be frozen and held for elimination at the next opportunity. However, if the answer is yes, we then evaluate whether there are employees within the City who are qualified to perform this work who also may be at risk of layoff. In this instance, we may also freeze the position, and hold it temporarily vacant, creating some short-term savings, in anticipation of using it as a placement option for employees impacted through budget actions.

When filled positions are proposed for elimination, the Human Resources Department works with the affected employees to determine the appropriate action in each instance. As you are aware, this process is governed by the Civil Service Rules, as set forth in the Municipal Code, the relevant Memorandum Of Agreement with the relevant bargaining unit and the City Policy Manual section regarding layoffs. These various rules govern the process by which employees are displaced based upon their seniority within the classification and in the City overall. Once these rules are applied, and we have identified the employees facing layoff (separation from the city), we look to vacant positions as placement options based on the above management of our vacancies. We only place employees in positions that: 1) are performing necessary functions in the City; 2) will have continued funding; and, 3) would otherwise be filled.

In the most recent cuts, many vacant positions remained unfilled, because they did not meet these criteria. Instead, many of these vacant positions will likely be cut at the next opportunity, in the budget I will present to you for the coming fiscal year. Of the 40 filled positions

eliminated by Planning, Building and Code Enforcement in January and Airport and Department of Transportation at mid-year, and the additional 12 people impacted by the bumping process, the outcomes were as follows:

- 28 stayed in current classification
- 7 demoted to a lower classification
- 15 redeployed (placed into vacancies in equal or lower classifications)
 - 8 Building Inspectors
 - 8 Planners
 - 1 Permit Specialist
- 2 separated


For the 15 employees redeployed, they were placed into a variety of classifications including, but not limited to: Environmental Services Specialist, Code Enforcement Inspector, Water Meter Reader, and Custodian. For some of these individuals this placement represented a significant reduction in their salary.

It is important to recognize that placing existing City employees into vacant position actually saves public dollars. They are moving into positions that would otherwise be filled through a recruitment that costs money. And, when a new employee joins the City it requires a larger investment in training than is necessary for a current employee who is already familiar with City operations would need.

There is also a benefit to the morale of our workforce, in that employees feel they are treated with dignity and respect through the process, and that the City is being proactive about trying to minimize the impact to individuals.

I want to reassure you that we are being fiscally prudent in how we manage our workforce to provide service to the community. While the more than \$60 million General Fund shortfall we currently face will require many difficult decisions, we are better off than many other cities, because we have been proactive in facing our fiscal condition long before the current economic downturn hit.

I am happy to answer any questions you have about the City's layoff procedures and how I and my staff handle the administration of this process.


DEBRA FIGONE
City Manager

