

LVCEA

F A X C O V E R S H E E T

DATE: May 18, 2010 TIME: 12:40 PM
TO: Don King, President
 PHONE: 702-649-6606
 FAX: 702-649-2135
FROM: Dan Tarwater PHONE: 229-5414
 CLV FAX: 598-0877
RE: Concession Counter Offer
CC: [Names]

Number of pages including cover sheet: 4

Message

Here is the City's counter offer from yesterday's session. If you would like to meet we are available at your convenience. I tried to explain our position in the letter and why we felt the counter offer was fair as it relates to the budget reduction goal we communicated since November 2009.

I appreciate all the effort that went into yesterday's meeting, it has always been business not personal.



LAS VEGAS CITY COUNCIL

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ELIZABETH N. FRETWELL
CITY MANAGER

May 18, 2010

Don King, President
Las Vegas City Employees' Association
857 N. Eastern Ave.
Las Vegas, NV 89101

Dear Don:

Please accept our appreciation and pass along thanks to your board for their willingness to participate in the lengthy concession meeting yesterday. In attempting to deal with the devastating and continuing deterioration of our revenues the City has consistently asked for all employee groups and bargaining units to forego all scheduled and normally occurring salary enhancements (FLAT) and to further significantly reduce labor costs by lowering salary and benefits(8%).

These goals, while significant, are needed to continue to provide critical services and to file a balanced budget. We realize our request has been significant. We also realize that your membership previously voted to offer no concessions and that any recent proposals would again need to be brought before your membership to be ratified.

Your May 12, 2010 proposal, while providing many important areas of savings, did not meet or approach our continued goals, and as indicated at the beginning of yesterday's meetings, it was not accepted. After meeting for the majority of the day, we concluded with receipt of an adjusted concession proposal from you. It appears very similar to the one of May 12, 2010 which was not accepted, but actually adds some additional or increased requests on your part. As indicated yesterday this offer likewise does not meet or approach our goals. As promised however, we continued to review your offer last night and this morning.

Your current proposal does reflect a continued willingness to waive Cost of Living Increases, and this is significant. However it also maintains other scheduled salary increases. For example, in lieu of completely waiving step increases your proposal seeks to continue receiving half of those and to defer the other half. Likewise, your proposal seeks to continue longevity pay, and salary increases for promotions like flexing. We continue to stress the need to truly achieve flat labor costs and additional reductions, not just to slowing the rate of growth.

Additionally, while the offer does reflect a waiver of a sick leave bonus, and a willingness to split future PERS rate increases, which are greatly appreciated, it does not offer any reduction to wages, without a corresponding reduction in hours worked.

Again while your efforts are greatly appreciated, and at times we appeared to be working towards a mutual framework, your current proposal also contains two significant additional difficulties for the City. The first relates to the request to guarantee no or greatly reduced separations, or as termed in your proposals "restorations". As you understand, this crisis is being driven by reduced revenues. Labor costs are our primary expense. The only independent adjustments the City can make to the labor costs for your bargaining unit is to reduce the work force or layoff employees. The reduction in workforce option is difficult and is not our preferred method of lowering labor costs. In many cases, separation of employees results in reduction of services to our citizens and significant impacts to our employees and their families, which is contrary to two of the City Managers three guiding principles. (The other was maintaining fiscal integrity.) However, as consistently indicated to you during this process, we cannot agree to impair that right, without otherwise achieving the ability to reach needed levels of labor cost reductions.

CITY OF LAS VEGAS
400 STEWART AVENUE
LAS VEGAS, NEVADA 89101

VOICE 702.229.6011
TTY 702.386.9108
www.lasvegasnevada.gov

FM-0044-00-09

May 18, 2010
Letter to Don King

Your current proposal seeks to guarantee that no CEA employees will be separated, but does not fully address our revenue shortfall. Further, while we realize the number communicated by you yesterday, 150, was as an approximation, it appears likely this number actually exceeds the combined number of previously approved separations and the additional recommendations being considered by the Mayor and City Council today.

Your proposal also seeks a commitment by the CITY not to implement any Compensation Study affecting your membership. The City has indicated a willingness to resolve disagreements over that issue in a mutually satisfactory manner, however at this juncture the request to completely refrain from such a valuable and needed review of salary and benefit levels for existing and future employees cannot be granted.

Attached herewith is our continuing request. Again we realize it is significant, but we believe reductions at or near that magnitude are needed to continue to meet our goals and to achieve the mandated balanced budget during this difficult time. We remain willing to continue meeting and discussing ideas, but for the reasons expressed herein we cannot accept your proposal. Please let us know of your availability and willingness to meet again and continue working on these issues. We realize that your membership has voted to offer no concessions, and that any recent proposals would need to be brought before your membership to be ratified.

Sincerely,



Dan Tarwater
Employee Relations Manager

DT/gm
Enclosures (1)

CC: Betsy Fretwell
Orlando Sanchez
Scott Adams
Jim Nichols
F. Claudette Enus
Morgan Davis

5/18/10

LVCEA/CITY – CONCESSIONS

1. **Wage Concessions – remain flat:**
 - a. **No COLA**
 - b. **No Step Increase**
 - c. **Freeze Longevity**

2. **Alternate Work Schedule – City shall implement an alternate work schedule in the form of one of the following alternatives that best fits the current resources to meet the service demands.**
 - a. **Furlough – the City will select 12 days in the year to close down operations with the with a corresponding reduction in pay. The 12 days without pay will not affect the PERS benefit.**
 - b. **4/9's – the City will reduce the work week to four nine (4/9's) days with the corresponding reduction in pay.**
 - c. **AWS – the program shall be suspended for the duration of the contract. The Department Head reserves the right to continue AWS in those areas they deem necessary.**

3. **PERS Split – Effective June 2010 any increase in the current PERS rate will be shared by the City and the employee, each contributing 50% of the increase.**

4. **Compensation/Classification Study - The City and Union will implement the City's study that was concluded December 2009. The City and Union agreed to:**
 - a. **Implement the plan within a two year period**
 - b. **agree to remove three out-of-state cities from the survey sample**
 - c. **agree to implement seven job classifications and families for FY11**
 - d. **agree to implement seven job classifications and families for FY12**
 - e. **agree on an allocation method for placing the job classifications on a lower pay grade**
 - f. **agree to Y rate those employees affected by the implementation for FY11**
 - g. **agree to an implementation schedule for FY11 and FY12**

5. **Flex Grievances – The City agrees to settle the current grievances in favor of the Union.**

6. **Restorations – The City us unable to guarantee a number of restorations as the economic climate continues to be too unpredictable. The City will guarantee a process for reviewing the financial triggers each quarter that lead to reductions in force and provide advance notice and a benefit package to assist with the separation process, when necessary.**

7. Employee Assistance Program - The City agrees to work with those employee requesting assistance with financial aid relating to mortgage and debt related assistance.

NOTE: The Concessions listed above are a presented as a total package, each item can be discussed separately, however, the package shall remain in tact.