

May 29, 2009

Thomas Haglund
City Administrator
City of Gilroy

Dear Tom:

The unrepresented management employees of the City of Gilroy would like to communicate to you our desire to be a part of the FY 10 and FY 11 budget shortfall solution. This was verbally communicated to you yesterday and we are confirming our communications in writing.

The unrepresented managers consist of the following positions: Finance Director, Fire Chief, Human Resources Director/Risk Manager, Police Chief, City Clerk, Assistant Finance Director, and Budget Analyst. As a group, we unanimously offer the following reductions which are consistent with the agreement reached with the Gilroy Management Association:

1. Furlough

24 days of unpaid furloughs each in FY 10 and FY 11 (total 48 days). City Hall closed every 1st and 3rd Friday.

- Savings: 9.23% per year

2. Wage Freeze

No wage increases for the period July 1, 2009 – June 30, 2010.

3. Merit Salary Increases

Reinstate Merit Increases for March 1, 2009 - June 30, 2009. Eliminate Merit Increases for the period July 1, 2009 – June 30, 2010.

- Savings: 1.6%

4. Tuition Reimbursement

Eliminate Tuition Reimbursement for the period July 1, 2009 – June 30, 2010.

- None planned or budgeted for this group.

These reductions equate to a 10.8% reduction for FY 10.

We know that these are unprecedented economic times and we are all committed to helping the City achieve reductions to help stabilize the City's budget situation.

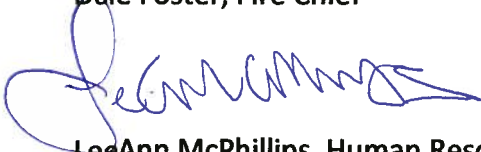
Sincerely,



Christina Turner, Finance Director



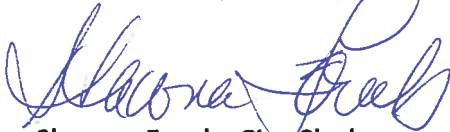
Dale Foster, Fire Chief



LeeAnn McPhillips, Human Resources Director/Risk Manager



Denise Turner, Police Chief



Shawna Freels, City Clerk



Barbara Voss, Assistant Finance Director



Rosemary Guerrero, Budget Analyst

RESOLUTION NO. 2009-23
RESOLUTION APPROVING A SIDE LETTER CONCESSION AGREEMENT
BETWEEN THE CITY OF GILROY AND THE UNREPRESENTED EXEMPT
EMPLOYEES

The City Council of the City of Gilroy hereby resolves as follows:

WHEREAS, the City is experiencing revenue losses for a sustained period of multiple years, therefore, revenues are not keeping pace with expenditures; and

WHEREAS, the local, state, and national economy is seeing unprecedented economic losses, substantially declining property values, and declining sales tax revenue as consumers curtail spending. As a result, the City has experienced significant revenue losses and expects these losses to continue for multiple years; and

WHEREAS, the City has made over \$8.0 million in cuts through spending reductions, a hiring freeze, and layoffs; and

WHEREAS, the City requested to meet and confer with all bargaining units in an effort to find solutions to the City's financial situation; and

WHEREAS, the Unrepresented Exempt Employees do not have a formal meet and confer process; and

WHEREAS, the Unrepresented Exempt Employees have submitted a concession letter to the City Administrator; and

WHEREAS, all Unrepresented Exempt Employees have signed the concession letter in support of the concessions and being part of the budget solution; and

WHEREAS, the Unrepresented Exempt Employees concession equate to a contribution of approximately \$151,000 through concessions from the 7 Unrepresented Exempt Employees; and

WHEREAS, the Concession Letter from the Unrepresented Exempt Employees is included in Exhibit A to this resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Gilroy accepts the Concession Letter from the Unrepresented Exempt Employees and agrees that the City Administrator has the authority to implement the Concession Letter and to create administrative procedures for the implementation of the agreed upon unpaid furloughs.


PASSED AND ADOPTED this 8th day of June, 2009 by the following vote:

AYES: **COUNCILMEMBERS:** **ARELLANO, BRACCO, DILLON and**
PINHEIRO

NOES: COUNCILMEMBERS: GARTMAN, TUCKER, WOODWARD

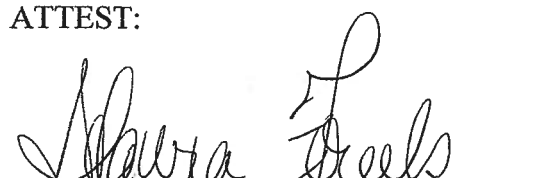
ABSENT: COUNCILMEMBERS: NONE

APPROVED:



Albert Pinheiro, Mayor

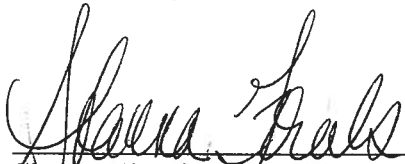
ATTEST:



Shawna Freels, City Clerk

I, SHAWNA FREELS, City Clerk of the City of Gilroy, do hereby certify that the attached Resolution No. 2009-23 is an original resolution, or true and correct copy of a city resolution, duly adopted by the Council of the City of Gilroy at a regular meeting of said Council held on the 8th day of June, 2009, at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this 11th day of June, 2009.



Shawna Freels, CMC
City Clerk of the City of Gilroy

(Seal)