

## **City Workers, Mayor Call Moratorium on Controversial Lay-off Plan**

*Parties to Search for Alternatives that Preserve City Jobs, Services*

A joint agreement has been reached between the Mayor and the coalition of City employee unions, the Public Employees Committee (PEC), to declare a one week moratorium on the Mayor's plan to lay off 17,000 city employees while the parties negotiate alternatives designed to save city jobs and services.

The Mayor and the unions have pledged to use the moratorium to seek solutions to the city's budget crisis that are fair, transparent, and effective in the long-term. Some of the solutions on the table include:

- Eliminating waste and improving accountability in the areas of procurement and outsourcing. The city outsources more than \$1.4 billion in services annually with little oversight or supervision.
- Identifying precisely how many city jobs will be saved in exchange for any contribution made by City employees to help the city resolve its huge budget deficit.
- Minimizing job loss and decreases in city services. While the Mayor cites this goal as well, he has not included any specific assurances to the PEC.

"I know our public employee unions are prepared once again this year to be active partners in closing our historic budget deficit, and I'm pleased to agree to this five-day moratorium on plans to reorganize the City's workforce," said Mayor Newsom. "Though we face difficult choices, I'm confident that working together, we can balance the City's budget while protecting as many city services and jobs as possible."

All notices, forms and deadlines associated with the Mayor's call for 17,000 employee layoffs will remain frozen for the next week. City employees need to take no action to respond to layoff and/or re-employment notices until further notice.

City workers' unions will use part of this moratorium to meet with their memberships and make sure the eventual agreement, if one is to be reached, has widespread support amongst City employees. The unions are membership organizations, and as such cannot act without extensive consultation with their members.

Both parties agree that whatever the form of the contributions to be made by city workers – whether reduced work weeks, furlough days, or other measures -- the amount or percentage level of the contribution remain open for further discussion, as does a list of union concerns such as outsourcing and procurement issues.

"As Mayor Newsom notes, city employees have responded to requests for budget help in six out of the last eight years," explained PEC Chairman Bob Muscat. "City workers are prepared to help once again, but they have to know that jobs really will be saved as a result and that spending in other areas, such as outsourcing, will be cut as well."