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Latest cost-saving compensation agreement with Hayward City workers heads to City Council

HAYWARD, Calif., June 23, 2020—The Hayward City Council is scheduled to vote this evening to approve a cost-saving agreement with City workers represented by the International Federation of Professional and Technical Engineers, Local 21.

The agreement is the latest in a series of City employee compensation changes that have been presented to and approved by the Council in recent weeks to offset projected Fiscal Year 2021 revenue declines due to COVID-19.

Under the agreement with IFPTE Local 21, City workers represented by the union would accept unpaid furloughs of up to 55 hours, saving the City general fund \$224,589 in the new fiscal year starting July 1. Across all City funds, the deal would save \$328,182 in FY2021.

Previously, the Council has approved cost-saving agreements and compensation reductions worth more than \$1.97 million in the upcoming fiscal year—savings that generally is being achieved through furloughs and the canceling or give-backs of planned July 1 salary increases.

On May 19, the Council approved changes in compensation agreements and reductions in pay for Hayward firefighters, Fire Department managers and City Manager Kelly McAdoo, as well as cuts in Council member expense budgets worth a combined \$499,015 in FY2021 savings.

On May 26, the Council approved cuts in compensation for City executives, Police Department captains and other employees not represented by collective bargaining units to save an additional \$273,000 in FY2021.

And, on June 9, the Council approved changes in compensation agreements with City workers represented by Service Employees International Union, Local 1021, and Hayward Association of Management Employees projected to save the City's General Fund \$691,448 in FY2021 and nearly \$1.2 million across all operating funds during the new fiscal year.

The General Fund pays for basic municipal services, such as police, fire-fighting, 911 response, libraries, maintenance of public spaces, and administration of general government operations and programs. Other operating funds relate to separately budgeted and managed municipal operations and facilities, such as water service and Hayward Executive Airport.

City Manager McAdoo sought the reductions in FY2021 compensation levels as declines in key City revenue attributable to the COVID-19 public health crisis has forced the use of a portion of the City's General Fund reserve to meet budgeted expenses.

The General Fund reserve functions similarly to a savings account by providing a cash-flow cushion for getting through cyclical fluctuations in expenses and revenues, meeting unanticipated needs, and to draw on in times of emergency.

If approved by the Council this evening, the cost-saving agreement with IFPTE Local 21 would bring the total projected savings in FY2021 compensation levels across all bargaining groups that have agreed to concessions to \$2.3 million.