



City Council Agenda Report

Meeting Date: Feb. 4, 2014

TO: City Council

FROM: City Manager Brian Nakamura, 896-7200

RE: **FY 2013/14 BUDGET MODIFICATION AND APPROPRIATION OF FUNDS IN THE AMOUNT OF \$25,000 FOR LABOR NEGOTIATIONS**

REPORT IN BRIEF:

The City of Chico has nine bargaining units with labor agreements that expired on December 31, 2013. To date, four of the nine labor groups have met and conferred, in good faith, and contracts are now in place. There still remain five groups for bargaining to be completed. In order for the City Council and its bargaining team to conduct meaningful and productive bargaining it is imperative that appropriate resources be available.

Recommendation: That the City Council approve a FY 2013/14 supplemental appropriation in the amount of \$25,000 from the Emergency Reserve (F003) for the purpose of further negotiating labor agreements.

FISCAL IMPACT:

The General Fund Emergency Reserve will be reduced by \$25,000.

BACKGROUND:

On September 3, 2013, the City Council authorized funding in the amount of \$80,000 for professional negotiation services, in order to bargain with City labor units. The professional negotiator, Mr. Tim Davis, has dedicated a tremendous amount of time in meeting and conferring in good faith with City labor groups, however, there remains a number of labor contracts yet to be completed. Due to the complexity of the concessionary bargaining the City is undertaking, due to the dire financial circumstances the City is constrained by, there is a need to further appropriate funding to complete this negotiations cycle.

To date, Mr. Davis has been successful in completing negotiations with the IAFF, saving the City in excess of \$1.7 million over a three year period. Staff anticipates Mr. Davis will be able to finalize negotiations with the remaining two bargaining units, which he is lead negotiator for, in the coming weeks; which this additional appropriation will adequately cover. Any unexpended funds remaining in this appropriation will be returned to the Emergency Reserve.

Approved by:

Brian Nakamura, City Manager

DISTRIBUTION:

City Clerk (3)

ATTACHMENTS:

Budget Transfer

Request for Budget Transfer/Supplemental Appropriation/Budget Modification

INSTRUCTIONS: As indicated in Budget Policies D.1 and E.2., identify the appropriate type of transfer request, supplemental appropriation or budget modification. Provide information, an explanation or justification for the request.

ATTACHMENTS REQUIRED: Attach any additional information such as a capital expense report, department expense report, etc.

Choose Type of Transfer/Supplemental Appropriation/Budget Modification Request:

X	Type of Request	Detail	Authorization Required	Enter Amount
	Fund Transfer (FT) (BP-E.2)	Appropriation transfer between funds.	Over \$0: ASD, CM, CC	
	Personnel to Non-Personnel (PNP) (BP-D.1.f.1)	Appropriation transfer between personnel and non-personnel categories.	Over \$0: ASD, CM, CC	
X	Supplemental Appropriation (SA) (BP-E.2)	An increase and/or decrease in an existing appropriation(s) in the City Council Adopted Budget or new appropriation(s).	Over \$0: ASD, CM, CC	\$25,000.00
	Department Transfer (DT) (BP-D.1.f.2)	Appropriation transfer between departments.	Under \$10,000: ASD \$10,000 to \$50,000: ASD, CM Over \$50,000: ASD, CM, CC	
	Category Transfer (CT) (BP-D.1.f.3.)	Appropriation transfer between expenditure categories.	Under \$25,000: ASD \$25,000 to \$50,000: ASD, CM Over \$50,000: ASD, CM, CC	

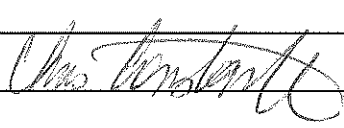
Transfer/Supplemental Appropriation/Budget Modification Information:

GL/Account # (if capital, incl. project #)	Account Description (Category/Object Detail)	Type of Request	Increase the available expense budget	Decrease the available expense budget
003-000-5400	Emergency Reserve - Professional Services	SA	\$25,000.00	
TOTALS:			\$25,000.00	\$0.00

The Budget adjustment requested above is required to permit the effective functioning of this department. Specific explanation and justification of this request is as follows:

See agenda report.

Approvals (see authorization column above):

X	Approval	Signature	Date
X	Authorized Initiator		
X	Department Director		
X	Admin. Services Director/Finance Director		1/24/14
X	City Manager		
X	City Council Meeting Approval (City Clerk)		Approved at Council meeting held on (date):

ADMINISTRATIVE SERVICES DEPARTMENT USE ONLY

Budget Transfer No.: 2014-ASD-009 Date added to index: 1-24-14 By: LMT Scheduled for Council Meeting (date): 2/4/2014

Does this create a fund deficit? Yes No

Date added to IFAS: _____ By: _____