



City of Seattle

Michael Patrick McGinn, Mayor

Personnel Department

Darwyn B. Anderson, Acting Personnel Director

May 25, 2010

John Masterjohn
Coalition of City Unions Co-Chair
JCC & PSIE, Local 1239
2800 First Avenue, Suite 301
Seattle, WA 98121

Adrienne Thompson
Coalition of City Unions Co-Chair
IFPTE, Local 17
2900 Eastlake Avenue E, Suite 300
Seattle, WA 98102

Dear Mr. Masterjohn & Ms. Thompson:

As we have discussed in several budget briefings this year, the City's General Fund and many of its non-General Funds continue to suffer from the worst economic downturn since the Great Depression. Given the size of these revenue shortfalls, layoffs appear unavoidable in 2011 – especially in the General Fund. Based on these discussions, the City has provided the Coalition of City Unions with an update on our processes to evaluate the use of outside contractors and a forum for the Coalition to identify span-of-control issues as a means to reduce City cost.

As a part of our continued dialogue, at our May 5th Coalition of City Unions meeting the City approached the Coalition on the issue of reducing labor costs as a means of partially addressing the City's current budget crisis. While not a mechanism to completely avoid potential layoffs, savings in labor costs would partially mitigate the need for layoffs. After the Coalition caucused, the City was asked to provide the Coalition with a proposal. Please consider this letter as the City's proposal to the Coalition of City Unions as a means to reduce labor costs beginning in 2011.

The City is interested in engaging in formal negotiations to reduce approximately \$6 million of its General Fund labor costs associated with the Unions in the Coalition, and an equivalent amount of labor savings for the non-General Funds. This savings target is roughly equivalent to the 2% cost of living increase that is expected for 2011. Whether

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the savings target is achieved through a reduction in the expected cost of living increase or another mechanism is the subject of the negotiations between the City and the Coalition of Unions, should the Coalition agree to enter into such negotiations.

If the Coalition is willing to engage in these negotiations, we would like to begin as soon as possible due to the need to make final decisions by July 31, 2010 for 2011 budget reduction696508s. We recognize that all of the Unions in the Coalition are not open for negotiations at this time. Therefore, we appreciate the Coalition's willingness to consider a City proposal in this area as a way to respond to the City's budget crisis. City Labor Relations is scheduled to meet with Coalition at regularly scheduled Coalition of City Unions meeting on June 2nd. This meeting can serve as an opportunity for the City and the Coalition to discuss this proposal. Thank you for your consideration on this matter.

Sincerely,



David Bracilano
Director of Labor Relations

CC: Mayor Mike McGinn
Carl Marquardt
Beth Goldberg
Darwyn Anderson
IBEW, Local 77
Fire Fighters