

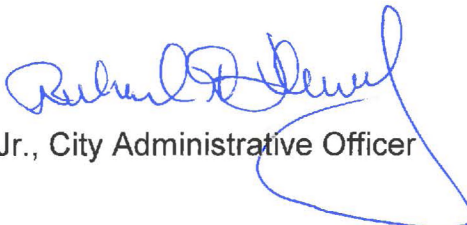
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 27, 2020

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **FY 2020/21 FURLOUGH IMPLEMENTATION – CF# 20-0600-S57**



RECOMMENDATIONS

The City Administrative Officer (CAO) recommends that the City Council and Mayor instruct the General Managers of all affected City departments to implement furloughs effective October 11, 2020, through June 20, 2021, for up to 18 days in FY 2020/21.

SUMMARY

On April 20, 2020, the Mayor proposed a balanced budget as required by Charter which included furloughs for the majority of civilian employees paid by the General Fund. Union leaders objected to furloughs and, in an attempt to achieve savings to offset furloughs, the City entered into a Separation Incentive Program (SIP) agreement with labor (CF# 20-0600-S56).

The SIP agreement required 1,300 employees to participate in order to implement. On June 30, 2020, the City Council voted to defer the implementation of furloughs until the end of the SIP rescission period in order to calculate the true savings based on participation. At the close of the SIP rescission period, 1,277 eligible employees had enrolled in the program.

At its August 25, 2020, Special Meeting, the Executive Employee Relations Committee approved the following:

- Amend the previously adopted SIP Letter of Agreement removing the 1,300-participant minimum for City Council approval;
- Request City Council approval to implement furloughs effective October 11, 2020 (Pay Period 9).

FISCAL IMPACT

Each pay period furloughs represent a savings of \$5.79M. Based on the targeted timeline for implementation of furloughs, the City will achieve a savings of \$104.2M for FY 2020/21.