



CITY OF STOCKTON NEWS RELEASE

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City Council Adopts Plan B Budget Imposing Concessions

(Stockton, CA) - The Stockton City Council adopted a budget for Fiscal Year 2011-12, referred to as "Plan B," and a series of Resolutions that imposes concessions for employees and includes a workforce reduction of 66 positions, rather than the "Plan A" alternative, which would have resulted in over 250 employee layoffs and position eliminations.

The City of Stockton is facing a \$37 million General Fund deficit for Fiscal Year 2011-12 and has declared a City-wide fiscal emergency. The City Council first declared a fiscal emergency May 26, 2010, and imposed emergency measures in Fiscal Year 2010-11. To address the City's structural financial issues, the City Council adopted a 10-point Action Plan for Fiscal Sustainability on June 22, 2010, which provides the principles for the City's labor relations program.

After discussion and hearing public comment from several retirees and members of the public, the Council voted 7-0 to adopt Budget Plan B and to implement concessions for

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labor groups.

The City of Stockton has been negotiating with all bargaining groups. Four labor groups have open contracts: Stockton Firefighters, Stockton Fire Management, Operating Engineers Local 3 Water Supervisors and Operating Engineers Local 3 Operations and Maintenance. Concessions are not being imposed on labor groups with open contracts. This evening, Operating Engineers Local 3 Operations and Maintenance notified the City that its members ratified a successor MOU with the City for a one-year term, which includes all of the concessions requested by the City.

Stockton Mid-Management/Supervisory (B and C) group worked with the City early in the process to reach agreement on many of the concessions needed by the City and reached a tentative agreement for the remaining concessions that will provide much-needed savings. The group is scheduled for a ratification vote later this week.

Before voting to impose concessions, the City of Stockton reached an agreement with Operating Engineers Local 3 Trades and Maintenance labor group. The group moved quickly to ratify the agreement with their membership, recognizing the City's urgent need to implement permanent structural changes. In addition, Stockton Police Management Association worked hard and announced today a tentative agreement with the City and will be taking the agreement to their membership for ratification.

Unrepresented, Confidential and Law Department Employees held discussions with management and will implement concessions concurrent with agreements from other labor

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groups.

Concessions will be imposed for Stockton City Employees Association (SCEA).

Concessions for non-public safety groups, both agreed to and imposed, will include: furloughs; elimination of cost of living increases, educational incentive pay and Longevity pay; employees will pay 7% towards PERS; health plan design changes, including a cap on the City's contribution toward the health plan; and changes to retirement for employees hired on or after July 1, 2011.

Stockton Police Officers' Association (SPOA) imposed concessions include: continued suspension of a cost of living increase, uniform allowance and the City's payment to deferred compensation and contribution to retiree medical; shift schedule changes; employees, rather than the City, paying the Employee's PERS contribution of 9%; elimination of educational incentive pay, Master Officer pay and reduction of Longevity pay; and health plan design changes, including a cap on the City's contribution toward the health plan.

The Stockton Police Management Association tentative agreement includes: elimination of educational incentive pay; reduction of uniform allowance and Longevity pay; suspension of City's contribution toward retiree medical; and health plan design changes, including a cap on the City's contribution toward the health plan.

"We have to make the hard decisions and take the steps necessary to balance the

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budget; these decisions are painful for everyone,” said Mayor Ann Johnston. “We hope that those employee groups who have not come to an agreement with the City will come to the table and allow the City to move forward.”

The City Council repeatedly thanked all the labor groups that have reached agreements with the City, especially Operating Engineers Local 3 Trades and Maintenance and Stockton Mid-Management/Supervisory (B and C), for having ratified their agreements.

The Council approved a City-wide budget totaling \$603 million for Fiscal Year 2011-12, a 2011-16 Capital Improvement Program, fee amendments, various fund transfers and administrative actions, and benefit findings and a budget for the Redevelopment Agency.

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