



THE CITY OF FT. BRAGG AND SEIU 1021 CONTRACT NEGOTIATIONS UPDATE (JUNE 2017)

At the bargaining table, City of Ft. Bragg workers are asking for a very modest wage increase that would allow them to just keep pace with the rate of inflation. Yet, the City has indicated at the table that it believes the City cannot afford this modest proposal although it would only cost \$35,000 more for two years.

By wearing multiple hats and taking on many different responsibilities, SEIU 1021 members save the City a significant amount of money by keeping much of the needed work in-house. The City should recognize this workforce's flexibility and creativity in getting the job done by agreeing to a wage proposal that allows these workers' incomes to keep up with rising costs.

The City of Ft. Bragg can easily afford SEIU 1021's wage proposal for the following reasons:

- 1) The City has had no problem coming up with money to pay for generous wage increases for upper management.

Examples:

- a. When Ms. Feth-Michel was promoted in 2013 to Assistant City Manager, a newly created position, her new salary and benefits cost the City \$13,472 more each year. And when John Smith was promoted from Operations Manager for Public Works to Assistant Public Works Director, his new wage scale increased by \$9,000. \$9,000 equals to about a half percent wage increase for the twenty-four SEIU 1021 city workers.
- b. When compared to upper management compensation in other local jurisdictions, the compensation of the City's upper management is out of

the ordinary. For example, **City** Manager, Linda Ruffing, makes close to \$30,000 more than Jay Sarina, the Del Norte **County** Administrator.

- c. If the City is able to fund generous wage increases to top managers, why is it unwilling to help workers at the lower end of the pay scale? The highest paid SEIU 1021 member ranks number twenty-two out of the seventy-three City positions.
- d. Roughly 9 members out of 24 are funded from different sources of revenue such as the Water and Wastewater Enterprise funds, grants or County Funds.

2) The City's General Fund has the revenues to fund SEIU 1021's modest wage proposal.

- a. By routinely underestimating General Fund revenues and overestimating General Fund expenditures, the City projects deficits (when expenditures exceed revenues) every year. Yet these deficits rarely pan out.¹

For example, from FY2009-10 to FY2015-16, actual revenues came in, on average, \$285,424 more than budgeted revenues. And from FY2009-10 to FY2015-16, actual expenditures were, on average, \$479,506 less than budgeted expenditures.

3) If the City is capable of increasing its General Fund reserves by \$1.2M in **one** year, it can easily find \$35,000 to fund SEIU 1021's wage proposal (\$20,000) and its longevity pay proposal² (\$15,000) over the course of two years.

4) The cost of the difference between SEIU 1021's economic proposals and the City's is less than 1% of General Fund revenues for FY2017-18.

¹ In the past 7 years, there was only one year (FY2013-14) where expenditures did outpace revenues.

² In FY2013-14, while also maintaining an operating reserve of \$1.3M, a litigation reserve of \$300,000, and a capital reserve of \$400,000, the City created two new reserves: an economic stabilization reserve equally \$425,000 and an emergency contingency reserve equally \$850,000.