

Memo



To: All Employees
From: Larry Tarkowski, Town Manager
CC: Danielle Gersper, Human Resources Director; Mayor and Council members
Date: October 5, 2009
Re: Five Percent Reduction in Pay

Since October 2007, when the Town realized the economy was declining, steps were taken to decrease our spending and avoid layoffs. The Town Council appreciates the value of retaining our trained and experienced staff and is supportive in our efforts to transfer employees to areas of need and staff the Library with existing employees. The hiring "chill" was initiated in October 2007 and within 6 months, became a hiring "freeze". During that period, the Town implemented a 5% mid-year (fiscal year 2007-08) budget cut for all departments; then additional 10% for fiscal year 2008-09. As the economy continued to decline, the Town went through more discretionary budget cuts for fiscal year 2009-10.

The fiscal year 2009-10 has just begun and revenues and expenses are being closely monitored. It is important to note that the first two months of sales tax revenues are approximately 15% below the budgeted projections; leading to a projected revenue shortfall of approximately \$2 million this year. The Town has already recovered over \$600,000 in salary savings from the hiring freeze. While we hope for the economy to improve; we have to plan for this trend to continue and initiate changes now. As a result, I am implementing a 5% reduction in salary for the balance of this fiscal year.

In order to develop our plan; I am organizing a committee with the following departmental representation to address all the options available such as a furlough plan, work week change, salary decrease, etc. The committee will work under the guidance of Danielle Gersper and report their recommendation(s) to me by Tuesday, October 20th. The committee members will be assigned and approved by the department director.

Department	# of Employees	Department	# of Employees
Public Works	2	Management Services	2
Community Development	2	Parks & Recreation	2
Library	2	Legal	1
Town Clerk	1	Management	1
Police*	1	Magistrate Court	1
Utilities	1	Human Resources	1

The committee will meet on Thursday, October 8th at 2:00 p.m. and again on Thursday, October 15th at 2:00 p.m. Committee members will be expected to quickly grasp the laws, policies, regulations, and options available. Creative thinking is desired. Please see your department director if you would like to participate.

In these challenging times, I appreciate the teamwork that has been displayed by this organization which has allowed us to continue our pledge to avoid layoffs. You have my promise that our commitment has not changed.

*Sworn police personnel are exempt at this time.