



FOR IMMEDIATE RELEASE

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City begins layoff process to prepare for 2010 revenue shortfall
Police and fire personnel receiving layoff notices today

CANTON, Ohio – City officials have announced that 26 police and 28 fire personnel will receive layoff notices today as part of the City's ongoing efforts to reduce spending in anticipation of a projected \$4.5 million budget shortfall for the 2010 Fiscal Year.

"Nobody wants to see these layoffs happen, but we are left with no choice unless we can find additional ways to increase revenue or further reduce spending," said Mayor Healy. "Unfortunately, we've cut as much as we can from non-personnel funds in every city department. There are no more dollars to cut without affecting city services. I am hopeful that, when all is said and done, the number of employees affected by our initial layoff announcements will be reduced as a result of cooperative agreements reached between the City and the five unions that represent City employees. Until that time, however, these numbers are what we have to work with moving forward."

While 26 police officers will receive layoff notices today, only 18 are actually in danger of losing their jobs. Several months ago, the City applied for and received stimulus funds from the U.S. Department of Justice to reduce the number of police officers that would be affected by potential layoffs. Because the stimulus program requires officers to actually be put in danger of layoff in order for the City to use the funds, officials had to issue notices to all 26 officers even though 8 would ultimately not be laid off.

The federal government recently announced a similar program for fire personnel, and city officials are currently completing all necessary forms to apply for the funds. It is unlikely, however, that any funding decision will be issued from the federal government until the beginning or middle of next year.

According to figures recently released by the City Auditor's office, the City of Canton's annual revenue is expected to fall by \$2,331,500 in 2010. According to estimates compiled by the City's offices of human resources, purchasing, and finance, spending that is required by law or by contract is expected to rise by \$2,168,500 in the coming year. Examples of such non-discretionary expenses include employer-paid health care benefits, contractually mandated pay raises, utility bills, and retirement contributions for city employees. These two totals amount to roughly \$4.5 million.

City police and fire personnel are most heavily affected by layoffs due to the fact that all of their members are exclusively paid for by the general fund. The general fund is currently the only city fund anticipating a budget shortfall in FY2010. Employees who work in departments represented by the city's two AFSCME unions are spread throughout a number of different government funds – such as water, sewer, and streets – with very few employees paid from the general fund. Despite this fact, layoff announcements are also expected in these departments as the City continues to tighten its belt.

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City officials were careful not to say whether the actual number of layoffs would match the initial number of employees notified today, as the City's labor unions are expected to come forward with proposals that could reduce expenses to avoid loss of personnel.

The City has already asked both police unions and the fire union to open contract negotiations in an effort to avoid layoffs by reducing anticipated expenditures in each department through concessions in pay, benefits, or both. All three unions have declined to open contract negotiations thus far, but are still maintaining regular lines of communication with city officials as layoffs draw near. Specific requests were also made of each union that would have lowered expenditures in the department without opening their contracts for negotiation, but all have been rejected thus far.

City officials are hopeful that discussions with each of the safety unions will be more productive as the layoff date draws near, but are prepared to continue as planned in the absence of any proposed alternatives.

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