

**Dear Neighborhood Council Member:**

*In reading the [CityWatch article](#) by Paul Hatfield focused on the City's Budget crisis, we would like to offer some comments directly from your Neighborhood Council Budget Advocates.*

*Mr. Hatfield states that we, the NC Budget Advocates, had the wool pulled over our eyes regarding the salaries issue. To be clear, the NC Budget Advocates of 2011 dedicated an entire area of our white paper last year to this issue. It can be found at [www.budgetadvocatesla.com](http://www.budgetadvocatesla.com).*

*Mr. Hatfield believes the NC Budget Advocates are not informed and unaware of the salaries, pension and healthcare issues. He should take note that as our committees continue to meet with city staff, union leaders, and the Mayor's Budget team, the NCBA's continue to dig deep into the structural issues facing our city, and recognize and make recommendations about reducing pension, salary and healthcare costs.*

*We welcome all to visit our website where minutes of our meetings, and copies of our recommendations are posted.*

*Additionally, the Mayor's Office and CAO have been clear with the public and the NC Budget Advocates that re-examining compensation costs has been a possibility, among all the various avenues being considered to close the deficit.*

*In October 2011, at the Mayor's Community Budget Day, the CAO made a presentation where he talked about the "Four Pillars" used to guide the City in its budgeting process. The 4th Pillar referred to a "Sustainable Workforce" with one component focused on the importance of the City to "Align Compensation." The CAO provided the audience with printouts of his slides, with one printout explicitly saying that in "Pursuing a Balanced Approach – Budget Reductions" the "City is pursuing changes to the current compensation and human resource structure which require negotiations with unions."*

*In December, the Deputy Mayor of Budget and Finance, Neil Guglielmo, met with the NC Budget Advocates, where he also specifically discussed the "4th Pillar" and the importance of looking at aligning compensation, in addition to all the other budgetary options.*

*In January, through the joint efforts between the Mayor's Office and the NC Budget Advocates, the Mayor's Budget Survey was released with a section devoted to a "Sustainable Workforce." The survey asked responders to "indicate whether [they] would support initiatives to help contain growing workforce costs." One of the listed initiatives was to "Freeze employee salaries at the current level until City's financial health is restored (subject to labor negotiations)."*

*So, both the public at large and the NC Budget Advocates have been given the opportunity to weigh in on this issue. And, it's never been a secret that in these difficult economic times, with the size of the deficit faced by the City, the renegotiation of compensation costs is still on the table.*

*Why the timing of the announcement by the CAO? The CAO could not announce an initiation of such negotiations without going through the Employer Employee Relations Committee which took place this week. The survey response period ended on February 27th because the Mayor's Office needed to process the results in time for the Regional Budget Day. But again, the CAO announcement has been obvious to those paying attention.*

Jay Handal

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