

January 22, 2009

City eyes job cuts to save cash

By RICK BELL

Looks like they might be starting to get it. They're not making the cuts yet, but they are planning for the worst.

For many businesses, what you will read is becoming the new normal. But for Silly Hall, after the disrespect they've shown for the value of a buck, it is a hell of a lightbulb getting the On switch.

Yes, City of Calgary brass has now been told in writing by city manager Owen Tobert to plan for the fallout from the tanking economy -- a loss of dollars coming into their coffers and possible cuts in spending and jobs, along with up to a 20% reduction on cash for junkets to out-of-town get-togethers. Earlier this week, Tobert, usually a man not seen in this column because he is told to blend into the decor, sends out a memo to city brass, city council and the mayor's office. It is titled: Market Volatility Planning. It's a rare opportunity to see city paper shufflers peek out of the big blue playpen.



The memo speaks of the current financial situation as "serious yet manageable" and observes "Calgary is not immune from the current economic malaise" and informs the readers he wants "options for mitigation in the event the economic downturn impacts our business further."

Tobert tells his high-end minions to "increase your oversight and direct approval in key areas to ensure we maintain as much flexibility as we can during these uncertain times." In other words, create wiggle room if the downturn stays ugly for awhile.

The city manager says those in charge have to be able to react to "deterioration as necessary."

"Planning in the face of volatility becomes priority work," he adds. What does all this mean in real people talk?

First, the mucky-mucks will review the plans for building stuff and get their priority list up to snuff, since they have to look at the chance of losing some dough.

"Consider the possibility there could be a reduction in funding from acreage assessments or from other levels of government or that other levels of government may prefer to fund capital projects that are ready to be built in 2009 to create jobs in the marketplace this year." They are also told to look at their day-to-day spending and make sure "discretionary spending is constrained." "There cannot be any over expenditures of business unit operating budgets."

They must check on changes to cash coming in, the demands for service and the impacts of

this meltdown on the levels of service.

The city bigwigs will now keep track of hiring and will "catalogue the number of vacancies" -- those new positions created because the city has grown, all existing openings and jobs hired out for a limited term. The managers are reminded "not to take any immediate action" on cutting the workforce because the city has "various labour strategies available to us which would be triggered on a corporate-wide basis if required."

But they must now consider whether or not to fill vacant positions. "If it is an area where work demands have been reduced to the economic situation, strongly consider the value of filling the position." Yes, like don't fill it.

Doesn't exactly sound like rocket science but, then again, we're a long way from putting a man on the moon. They have a tough time sending a grader down a street. There is a reduction of up to 20% in junket cash, the coin for conferences, travel and expenses, a cut pushed by Ald. Diane Colley-Urquhart when the budget with the 19.2% tax hike got the thumbs-up from the majority on city council. Tobert's idea of where to chop will roll out in March and so, to his underlings, "until then consider what is essential out-of-city travel."

Training should also have "immediate job-related benefit to the city." Tobert ends by telling those reporting to him to make sure those on the next rung down "clearly understand the economic situation is still in flux" and the city wants to "manage our business in any outcome and to mitigate risk." The memo from the municipal boss comes the same week Sharon Purvis, responsible for setting up a \$1.7 million fitness facility at city hall, says the decision to go ahead with the gym could be put on hold in these tough times. The story does not end here. Late yesterday, the city manager's office sends another memo to staff and unions informing them of the contents of the Tobert memo, assuring them the city is "not looking for drastic changes in the way we do business at this time." The memo also points out there will be an update on "contingency plans" early next month.

Colley-Urquhart will pose a few puzzlers to the city high command at Monday's council meeting, including whether a report on the economy, with options on how to handle the downturn, will be brought back to council before the 2009 budget gets final approval in April and this year's tax rate is set. The answer, if they aren't just going through the motions, is obvious.