

From: [Neukirch, Ghida](#)
To: [All Users](#)
Cc: [Taub, Emily](#); [Neukirch, Ghida](#)
Subject: COVID-19 Financial Impact
Date: Monday, May 18, 2020 7:47:49 AM

Colleagues,

As you know, the City has been responding efficiently and effectively to COVID-19. Undoubtedly, the impact on City operations and staff has been significant and our organization has risen to the challenge.

We have been working on an economic analysis to determine the impact of COVID-19 on the City's finances. We have conferred with private and public sector financial associations, neighboring communities and we conducted a comprehensive analysis of the City's budget dating back more than ten years. The financial impact will not only affect the immediate fiscal year of 2020, but the upcoming budget process for 2021 and very likely several years to come. The budget projections for fiscal year 2020 reflect that even with the use of fund balance, substantial operating and capital expenditure reductions will need to take place to maintain both the short term and long term fiscal stability of the City.

Unfortunately, one of the areas that will be impacted this year is the availability of the merit pool originally planned for distribution effective June 1, 2020. With the merit pool no longer being available, no merit increases will be awarded this fiscal year. It is important that performance evaluations be completed; the deadline has been extended to June 30.

Additionally, the difficult decision has been made to implement short-term furloughs for positions that are classified as Grade 14 and above. Positions classified as Exempt Grade 14 and above will be required to take a one week unpaid furlough, and Department Directors will be required to take a two week unpaid furlough. In most cases, the furlough will be required to be taken by the end of July 2020 and every effort will be made to schedule the furlough periods to minimize the impact on both the affected employees and the Department. All affected individuals will receive a separate communication with additional details on the furlough.

Please know that these changes were difficult and not made lightly, although they are important as we address the overall financial impact to the City. We will keep you apprised of operating and capital expenses that are proposed to be deferred or removed from the budget in light of decreased revenue and to ensure the fiscal sustainability of the City. Budget workshops are planned in the coming months. We will provide regular updates to employees via email and the Messenger.

In addition, we are working on reopening plans and guidelines which will be shared with you in the next two weeks. Please reach out to your Supervisor, Department Director, Human Resources or me with any questions or recommendations.

My sincere thank you for your service through these challenging times. We will get through this together and move forward as a stronger organization.

Respectfully,

Ghida S. Neukirch, CM
City Manager



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