



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Agenda FINANCE & PERSONNEL COMMITTEE

ALD. MICHAEL J. MURPHY, CHAIR
Ald. Robert J. Bauman, Vice-Chair
Ald. Joe Dudzik, Ald. Milele A. Coggs, and Ald. Nik Kovac

Staff Assistant, Terry MacDonald
Phone: (414)-286-2233; Fax: (414) 286-3456, E-mail: tmacdo@milwaukee.gov

Monday, June 15, 2009

9:00 AM

Room 301-B, City Hall

SPECIAL - Amended 6/10/09

PLEASE NOTE: If action is taken on the following files, they may be referred to the Common Council for action at its regular meeting to be held at 9:00 A.M. on Tuesday, June 16, 2009.

1. [090053](#) Communication from the Department of Administration - Budget and Management Analysis Division regarding vacancy requests, fund transfers and equipment requests.
Sponsors: THE CHAIR

2. [090042](#) Communication from the Budget and Management Division regarding the city's fiscal condition.
Sponsors: THE CHAIR

3. [090043](#) Substitute resolution approving a 2009 Budget Management Plan.
Sponsors: THE CHAIR

4. [090044](#) Substitute resolution amending the 2009 Snow and Ice Removal Cost Recovery Charge.
Sponsors: THE CHAIR

5. [090102](#) A substitute ordinance relating to implementation of mandatory furloughs.
Sponsors: THE CHAIR

6. [090183](#) A substitute charter ordinance relating to the allowance of creditable service as it pertains to mandatory furloughs.
Sponsors: Ald. Hines Jr.

7. [081192](#) A substitute ordinance to further amend the 2009 rates of pay of offices and positions in the City Service.
Sponsors: THE CHAIR

This meeting will be webcast live at www.milwaukee.gov/channel25.

Members of the Common Council and its standing committees who are not members of this committee may attend this meeting to participate or to gather information. Notice is given that this meeting may constitute a meeting of the Common Council or any of its standing committees, although they will not take any formal action at this meeting.

Upon reasonable notice, efforts will be made to accommodate the needs of persons with disabilities through sign language interpreters or auxiliary aids. For additional information or to request this service, contact the Council Services Division ADA Coordinator at 286-2998, (FAX)286-3456, (TDD)286-2025 or by writing to the Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.

Limited parking for persons attending meetings in City Hall is available at reduced rates (5 hour limit) at the Milwaukee Center on the southwest corner of East Kilbourn and North Water Street. Parking tickets must be validated in Room 205, (City Clerk's Office) or the first floor Information Booth in City Hall.

Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at www.milwaukee.gov/lobby.



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090053

File ID: 090053

Type: Communication

Status: In Council-Placed
on File

Version: 0

Reference:

Controlling Body: FINANCE &
PERSONNEL
COMMITTEE

Requester:

Cost:

File Created: 05/05/2009

File Name:

Final Action:

Title: Communication from the Department of Administration - Budget and Management Analysis
Division regarding vacancy requests, fund transfers and equipment requests.

Notes:

Code Sections:

Indexes: VACANCY REQUESTS

Sponsors: THE CHAIR

Attachments: Hearing Notice List

Drafter: tjm

Contact:

Agenda Date:

Agenda Number:

Enactment Date:

Enactment Number:

Effective Date:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:	
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE				
	Action Text:	This Communication was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE						
0	FINANCE & PERSONNEL COMMITTEE	06/05/2009	HEARING NOTICES SENT		06/10/2009			
0	FINANCE & PERSONNEL COMMITTEE	06/10/2009	RECOMMENDED FOR PLACING ON FILE				Pass	
	Action Text:	A motion was made by ALD. KOVAC that this Communication be RECOMMENDED FOR PLACING ON FILE. The motion PREVAILED by the following vote:						
	Notes:	<i>Approves vacancy requests.</i>						
Mover:	ALD. KOVAC	Aye:5 - Murphy, Bauman, Dudzik, Coggs, and Kovac No:0						5-0
0	FINANCE & PERSONNEL COMMITTEE	06/15/2009						

Text of Legislative File 090053

..Number

090053

..Version

ORIGINAL

..Reference

..Sponsor

THE CHAIR

..Title

Communication from the Department of Administration - Budget and Management Analysis Division regarding vacancy requests, fund transfers and equipment requests.

..Drafter

CC-CC

TJM

4/30/09

**AGENDA OF ITEMS TO BE CONSIDERED
BY THE COMMITTEE ON FINANCE AND PERSONNEL**

SPECIAL – AMENDED 6/10/09

DATE: June 15, 2009

TIME: 9:00 A.M.

PLACE: Committee Room 301-B
City Hall

SCHEDULE A: Vacancy Requests

SCHEDULE A - VACANCY REQUESTS

Finance & Personnel Committee Meeting: June 15, 2009

CSC-Status - Under Civil Service Unless Noted as Exempt (E)

Funding Source - 100% Operating Budget Unless Otherwise Indicated

I.D. No.	Department and Position	Pay Range	Date Vacant	Number of Positions With Same Title					CSC Status and/or Funding Source	Int/Ext Fill	Code
				Authorized	Filled excl. this pos.	Recomm. Authorization	Vac. Prev. Appr.	Other Vac.			
9265-66	<u>PROPERTY TAX LEVY SUPPORTED POSITIONS</u>										
	<u>POLICE DEPARTMENT</u> Police Dispatcher	478	5/17/09 2/21/04	52	44	2		6		Int/Ext	x-1



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090042

File ID: 090042 **Type:** Communication **Status:** In Committee

Version: 0 **Reference:** **Controlling Body:** FINANCE & PERSONNEL COMMITTEE

Requester: BUDGET AND MANAGEMENT ANALYSIS DIVISION **Cost:** **File Created:** 05/05/2009

File Name: **Final Action:**

Title: Communication from the Budget and Management Division regarding the city's fiscal condition.

Notes:

Code Sections:

Agenda Date:

Indexes: BUDGET, BUDGET AND MANAGEMENT DIVISION

Agenda Number:

Sponsors: THE CHAIR

Enactment Date:

Attachments: Cover Letter ,PowerPoint Presentation re Overview of City Fiscal Condition ,Hearing Notice List

Enactment Number:

Drafter: mn

Effective Date:

Contact:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	STEERING & RULES COMMITTEE			
	Action Text: This Communication was ASSIGNED TO to the STEERING & RULES COMMITTEE						
0	STEERING & RULES COMMITTEE	05/08/2009	HEARING NOTICES SENT		05/14/2009		
0	STEERING & RULES COMMITTEE	05/14/2009	HELD TO CALL OF THE CHAIR				Pass
	Action Text: A motion was made by ALD. DAVIS that this Communication be HELD TO CALL OF THE CHAIR. The motion PREVAILED by the following vote:						
	Notes: <i>Individuals present:</i> Mark Nicolini, Director, Budget & Management Div. Dennis Yaccarino, Budget & Management Div. Wally Morics, Comptroller Ald. Witkowski, 13th Aldermanic Dist.						
	Mr. Nicolini gave a PowerPoint presentation.						

Mover: ALD. DAVIS Aye:7 - Hines Jr., Davis, Hamilton, Witkowiak, Bauman, Donovan, and Bohl
No:0
Excused:1 - Murphy 7-0-1

0 CITY CLERK 06/05/2009 REFERRED TO FINANCE & PERSONNEL COMMITTEE

Action Text: This Communication was REFERRED TO to the FINANCE & PERSONNEL COMMITTEE

0 FINANCE & PERSONNEL COMMITTEE 06/08/2009 HEARING NOTICES SENT 06/15/2009

0 FINANCE & PERSONNEL COMMITTEE 06/08/2009 HEARING NOTICES SENT 06/15/2009

0 FINANCE & PERSONNEL COMMITTEE 06/08/2009 HEARING NOTICES SENT 06/15/2009

0 FINANCE & PERSONNEL COMMITTEE 06/08/2009 HEARING NOTICES SENT 06/15/2009

0 FINANCE & PERSONNEL COMMITTEE 06/15/2009

0 COMMON COUNCIL 06/16/2009

Text of Legislative File 090042

..Number
090042
..Version
ORIGINAL
..Reference

..Sponsor
THE CHAIR
..Title
Communication from the Budget and Management Division regarding the city's fiscal condition.

..Drafter
Budget and Management Division
MN:BF10-3C
April 27, 2009
Finance/resolutions/titleonly communication fiscal condition.rtf

April 28, 2009

Ref: BF10-3C

Common Council
City of Milwaukee

Subject: Introduction of Title Only Resolutions

Dear Honorable Members:

We are submitting the attached resolutions for introduction at the May 5, 2009 Common Council meeting. We are requesting the following files to be introduced by title at this time and will provide the detailed resolution and fiscal note for this purpose at a later date.

1. Communication from the Budget and Management Division Regarding the City's Fiscal Condition. This communication will summarize the city's current fiscal condition as it will affect the next three city budgets, and will outline some options that the city may consider to address its structural budget imbalance. We have discussed this with Council leadership and understand that it will be referred to the Steering and Rules Committee.
2. Resolution Approving a 2009 Budget Management Plan. This resolution will include actions, many already initiated, which are intended to improve the city's ongoing structural budget condition. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.
3. Resolution Amending the 2009 Local Snow and Ice Removal Charge in Accordance with Sub-Section 2(a) and (b) of Section 309-83 of the Milwaukee Code of Ordinances. As part of the 2009 Budget Management Plan, the Administration recommends modifying the 2009 charge to reflect recent expenditure trends to enable full cost recovery of 2009 snow and ice control operations. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.

Respectfully submitted,

Mark Nicolini
Budget and Management Director

MN:dmr
Attachments
Common/finance/resolutions/titleonlyletter3resolutions

Update of City Fiscal Condition

Finance & Personnel Committee

June 15, 2009

DOA Budget & Management Division

Presentation Goals

1. Establish a common understanding of budget structural conditions
2. Identify near-term budget challenges
3. Identify the purpose & value of 2009 Budget adjustments
4. Discuss development of 2010 Budget

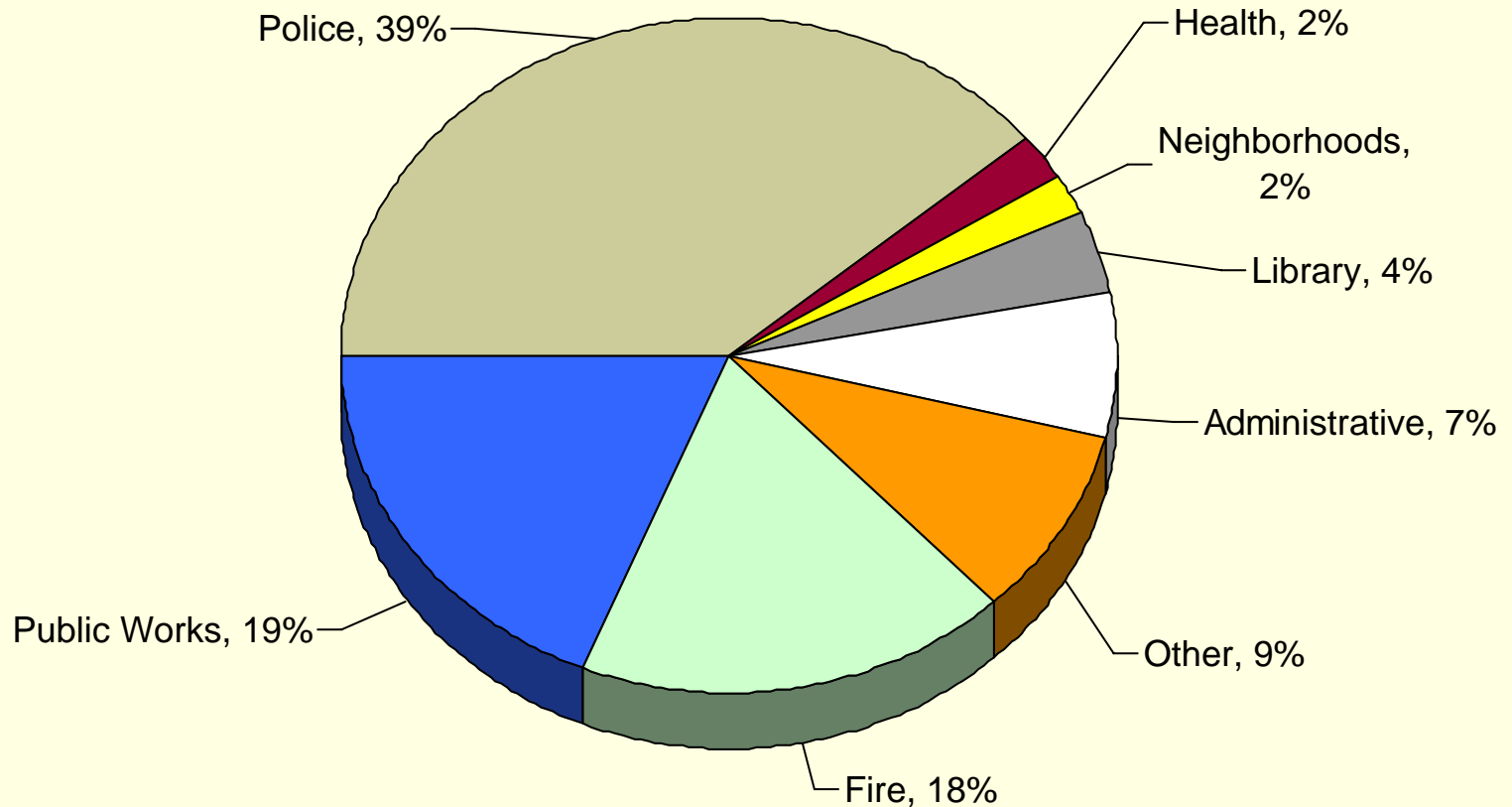
City Budget: Structural Condition

1. Structural balance = ongoing revenues can support continuation of service levels
2. City has an ongoing structural imbalance
 - Economic cycle increases the problem but does not “cause” it
3. 2010 = a higher level of urgency
 - Pension contribution issue
4. Expenditure & Revenue Overview

Expenditure Overview: Key Takeaways

1. Dominant role of public safety departments in O&M Budget
2. Cost recovery opportunities are limited
3. Fringe benefits = the crucial sustainability issue

Tax Levy Funded Operating Budget: By Department



Note: Does not include \$253.8 million of DPW-operated Enterprise Funds (Parking, Sewer, Water).

Three departments comprise 76% of the \$598.6 million 2009 Operating Budget.

Revenue Consumption:

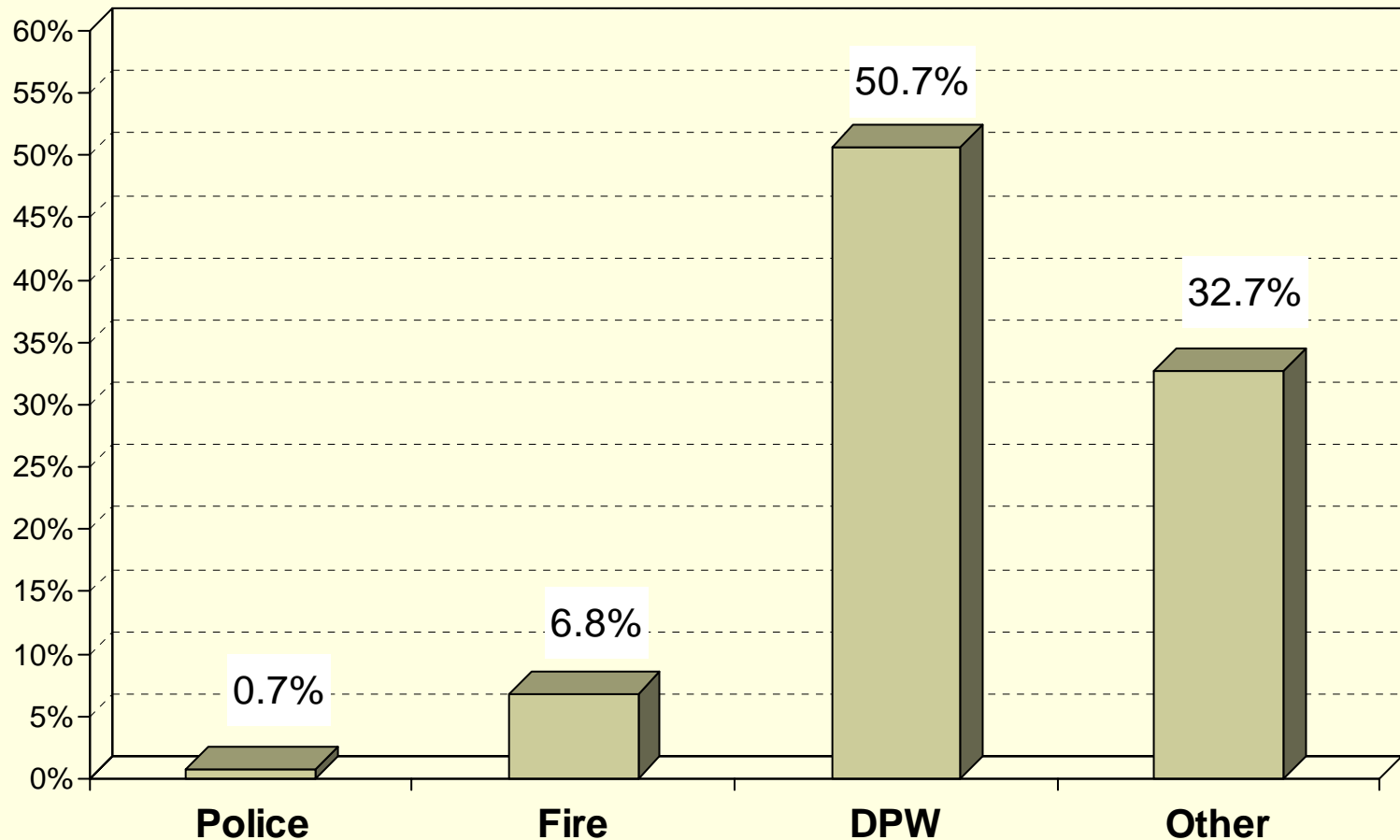
“Where are my property taxes going?”

1. “Discretionary” revenue = funds not tied to an enterprise, specific service or regulatory activity, or debt service
2. Debt service = 30% of total 2009 levy
3. 2009 discretionary revenue: ~ \$508.8 m
4. Shares of discretionary revenue:
 - Police: 45%
 - Fire: 19.2%
 - DPW: 11%
 - Admin depts: 5.2%
 - Library: 4%
 - Health: 1.9%
 - DNS: ~ 0%

O&M Budget Cost Drivers

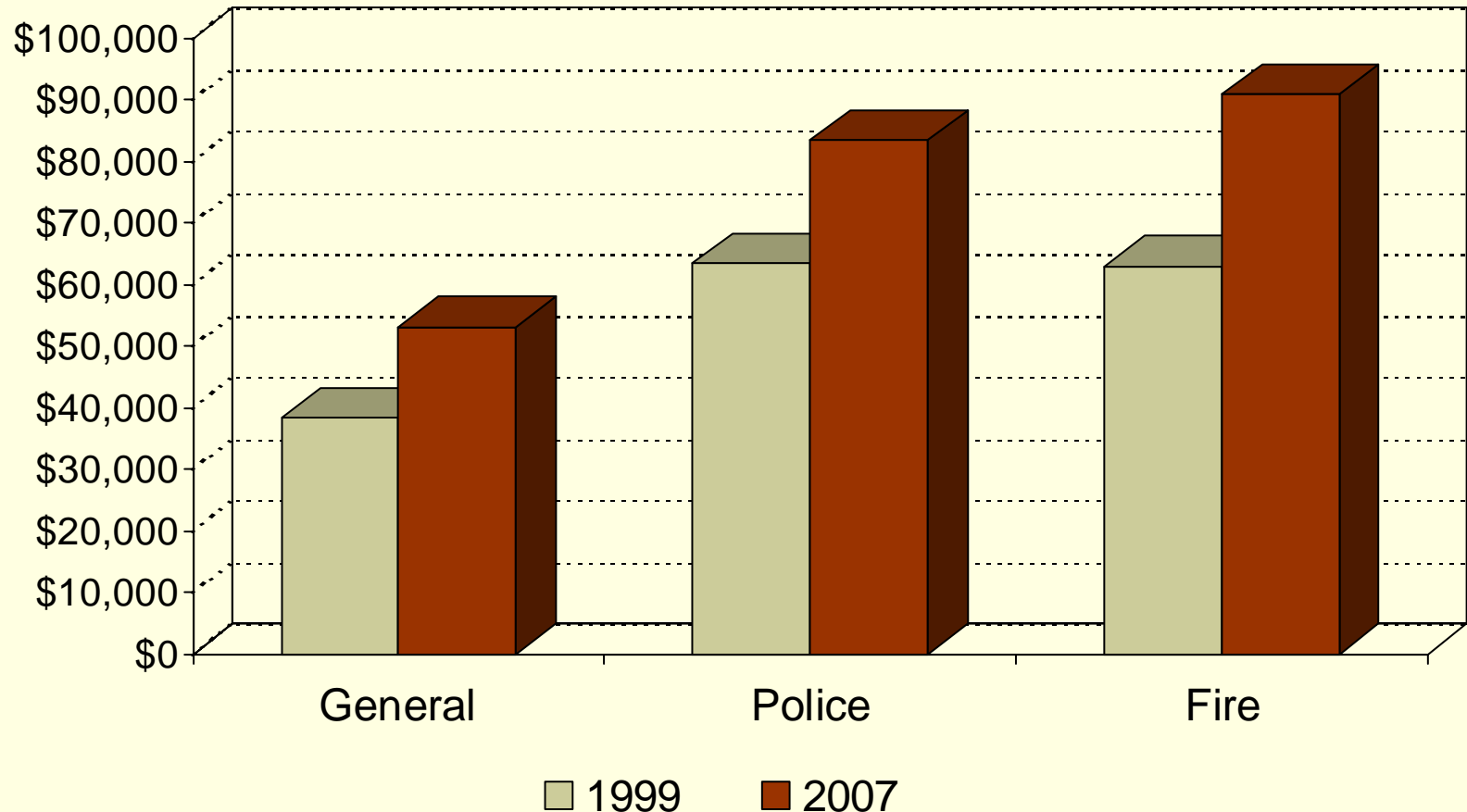
1. Service delivery choices and level of service
2. Community conditions and citizen expectations (“demand” does not decline in recessions)
3. Wages & fringe benefits increase at a rate much higher than revenue growth
 - Health care benefits reemerging as a major cost pressure
 - End of employer pension contribution “holiday”
=> a threat to future budget viability

Percentage of General Fund Operations Budget Recovered



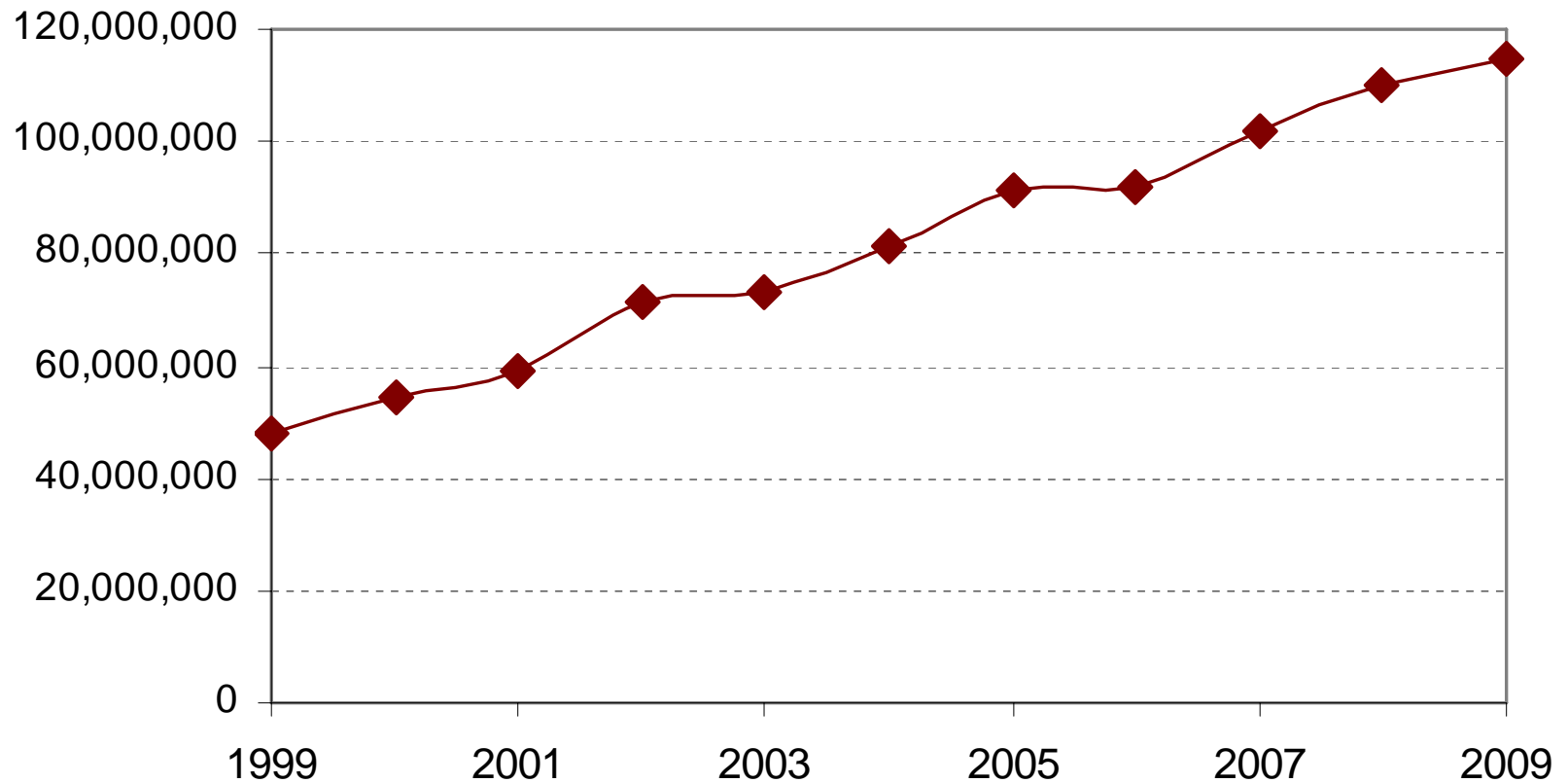
DPW recovers an above average percentage of its operating costs while Police and Fire recover only a small portion of their costs.

Average Employee Compensation Comparison*



* Including fringe benefits.

Total Net Health Care Costs



**Pension Costs....
the defining challenge for
Budget Sustainability**

Pension “Normal Cost”

- The City operates its own home rule defined benefit pension plan, the City Employees Retirement System (ERS)
- As of 1/1/2008, the ERS had a “funded ratio” (ratio of actuarial asset value to total liabilities) of 131%--second best of approximately 150 major public employe retirement systems (PERS).
- Normal cost (NC) is the actuarially calculated value of future pension benefits annually earned by active employees.
 - Conceptually similar to a mortgage. The normal cost in 2008 for City employes was about \$63 million.
- The Charter splits the responsibility for normal cost between the employe and employer contribution.
 - As a result of collective bargaining, the employer (City) pays most of the “employe” contribution-- ~ \$23 million/year
- For many years the ERS has had a funded ratio of > 100%, and hence the employer contribution was \$0—the employer’s normal cost share of ~ \$40 million was “absorbed” by the Plan’s funded status.

Average Normal Cost per Active Employee (2008 Valuation)

Department	Average Salary	Gross Normal Cost	Employee Contribution	Net Normal Cost
Police	\$59,989.39	\$13,737.57	\$4,199.26	\$9,538.31
Fire	\$64,409.94	\$16,360.12	\$4,508.70	\$11,851.43
General City	\$45,890.61	\$5,185.64	\$2,523.98	\$2,661.66

Projected Pension Contribution: Increased City Budget Impacts

The Annuity & Pension Board approves an annual valuation that includes contribution amounts. Current projections:

- 2010- \$49 million-\$92 million
- 2011- \$67 million-\$126 million
- 2012- \$80 million-\$148 million

2010 Budget Expense Projections

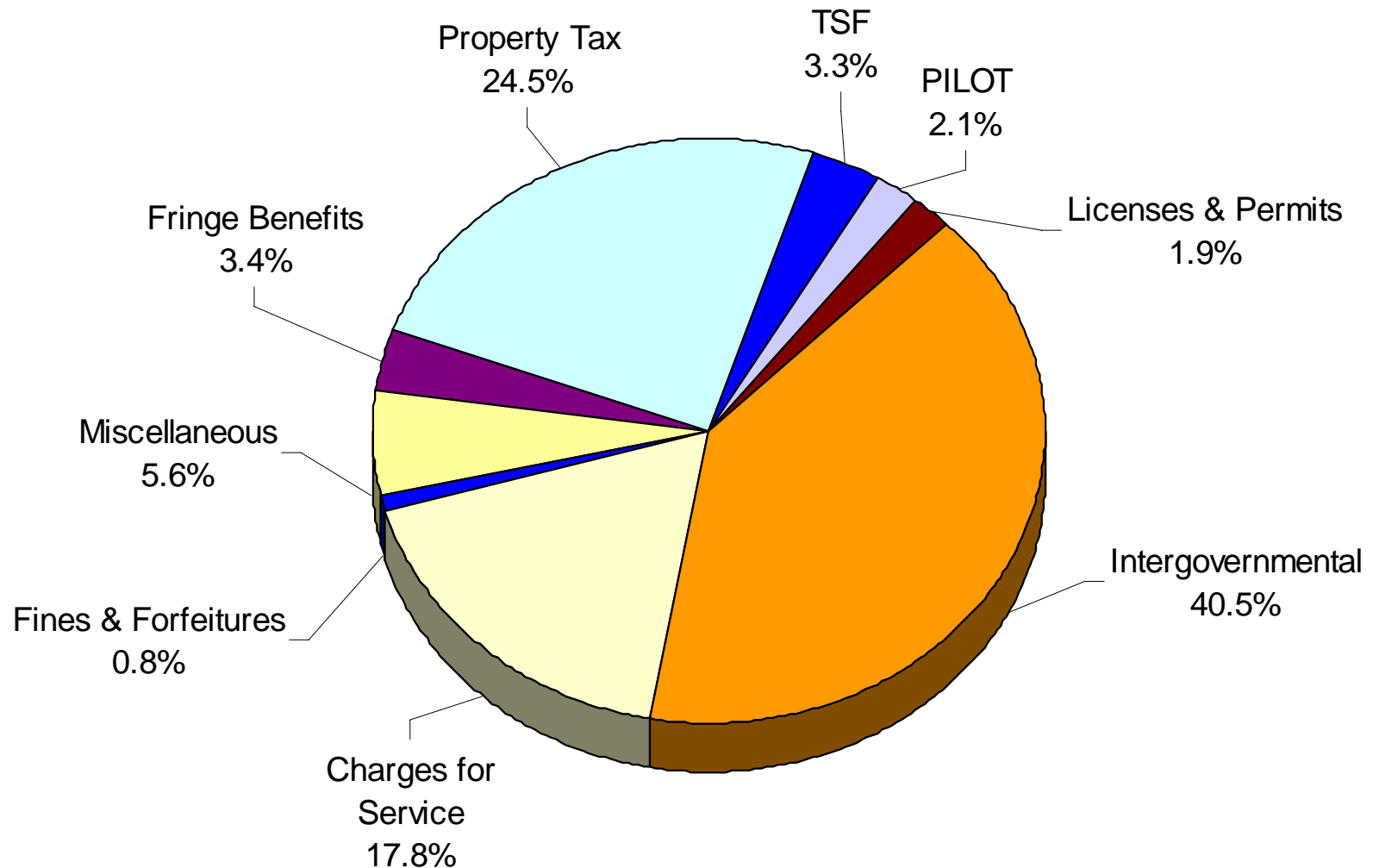
Based on Current Trends...

- Wages increase approximately \$15 million per year.
- Health Care costs are expected to increase \$16 million annually in 2010 and 2011 and \$17.5 million in 2012.
- Workers' Compensation costs are increasing by \$1.5 million annually.
- Normal growth in departmental non-salary accounts is about \$2.2 million annually.
- Debt service levy expected to grow by \$3 million.
- **Pension contribution increase brings 2010 “cost to continue” current service levels to ~ \$90 million!!**

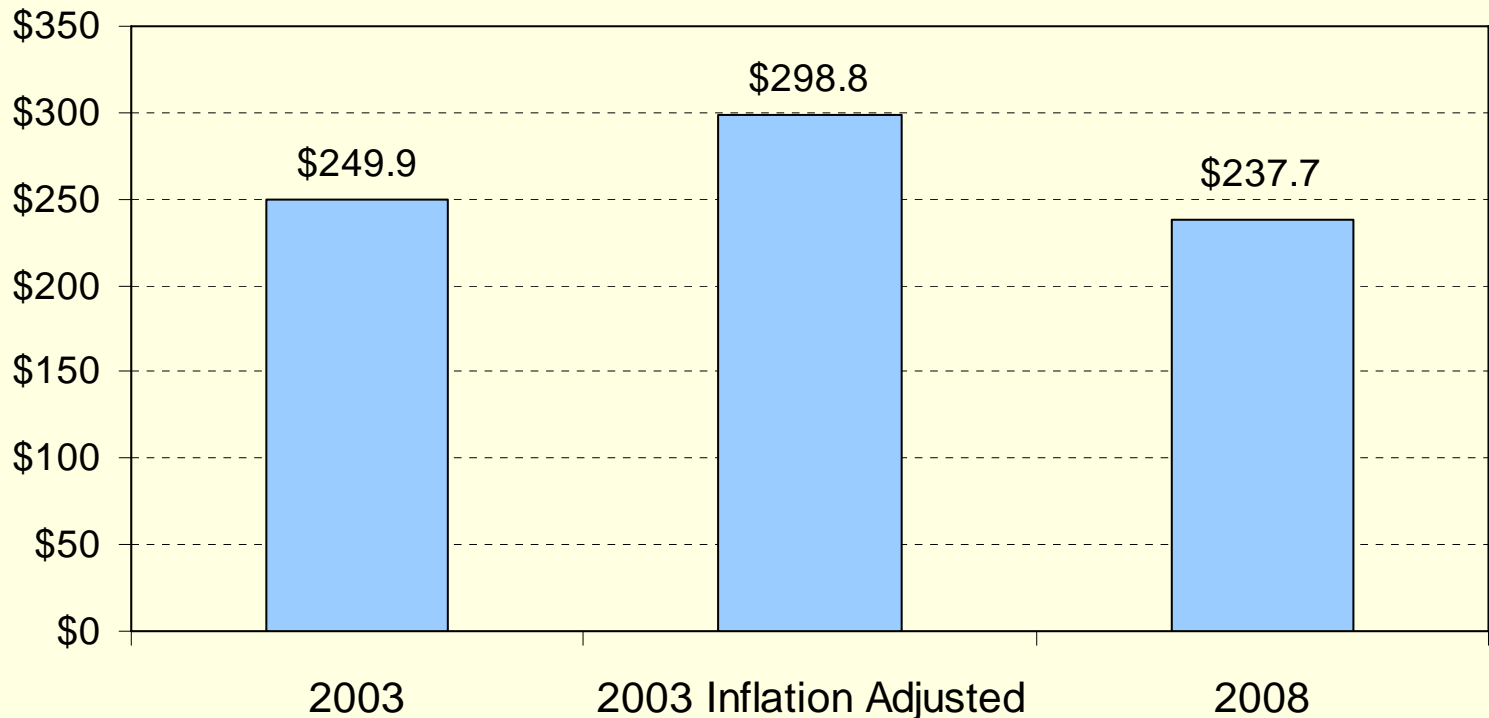
Revenue Overview: Key Takeaways

1. The City has applied user charges & levies above inflation, in addition to annual service & position reductions, to offset Shared Revenue decline.
2. Above trend TSF withdrawals in 2007-2009 enabled modest service reductions and moderate property tax levy increases.
3. Ability to offset Shared Revenue loss from future user charge increases is now very limited.
4. Reserves will present far less opportunity to offset cost increases and the Shared Revenue freeze.
5. The City's tax base is projected to decline from current levels, and the positive impacts of new construction on the City's tax rate will decline from 2-3% in recent years to less than 1%.

General Fund Revenues

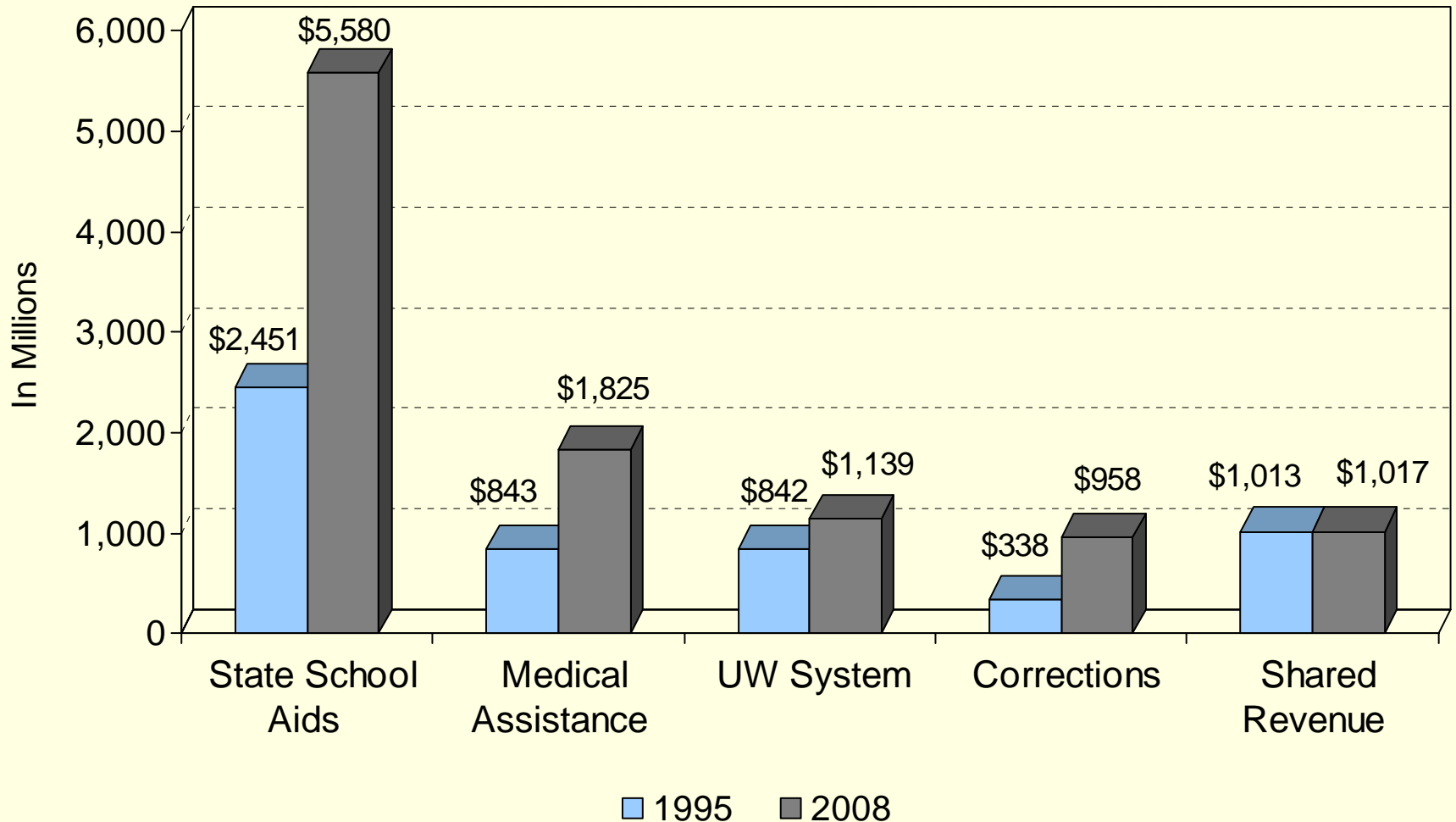


DECLINE IN STATE SHARED REVENUE & EXPENDITURE RESTRAINT PROGRAM (ERP) PAYMENTS to MILWAUKEE

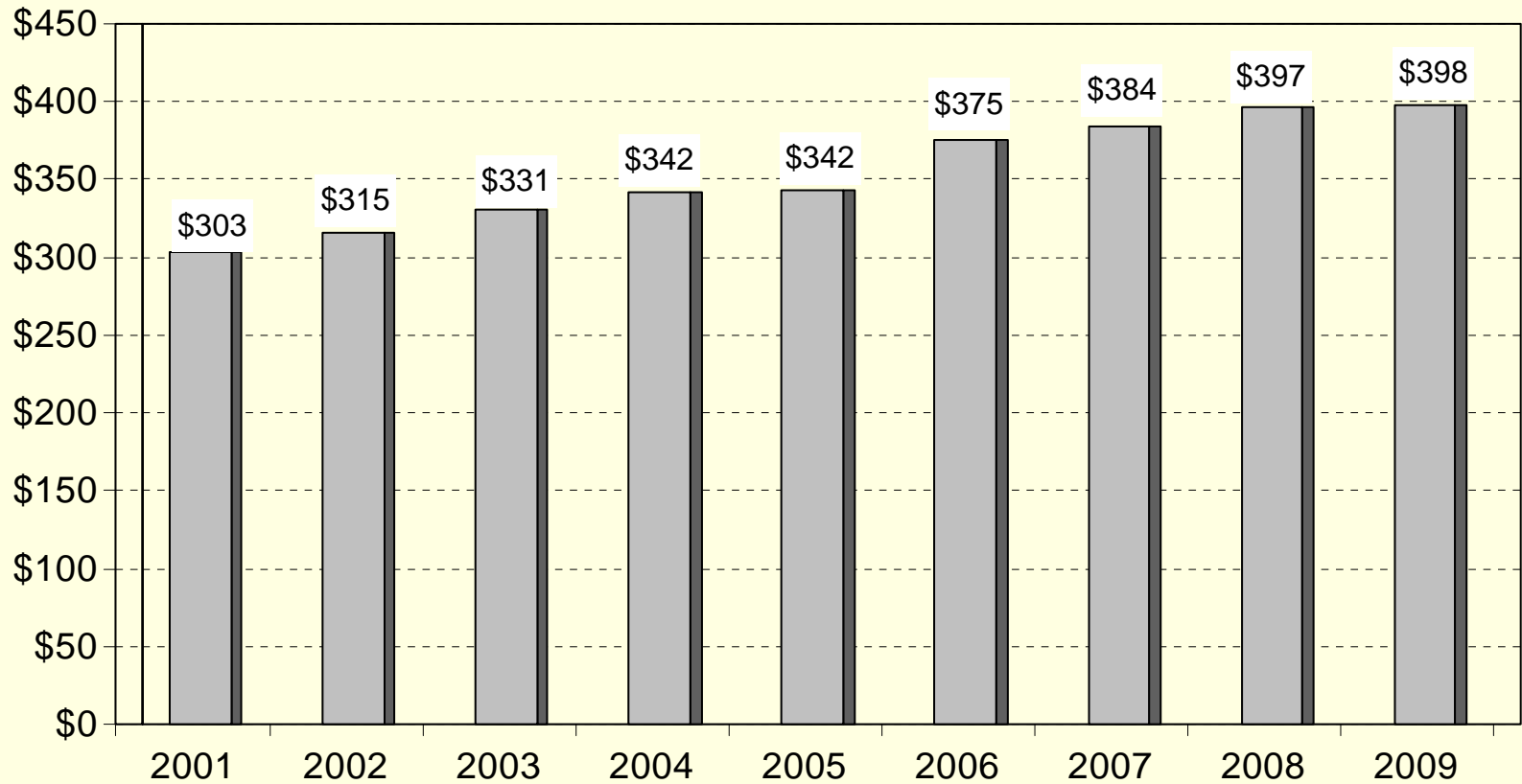


The inflation-adjusted decline in Shared Revenue and ERP between 2003 & 2008 is \$61.1m.

State Appropriations: 1995 and 2008 By Major Category

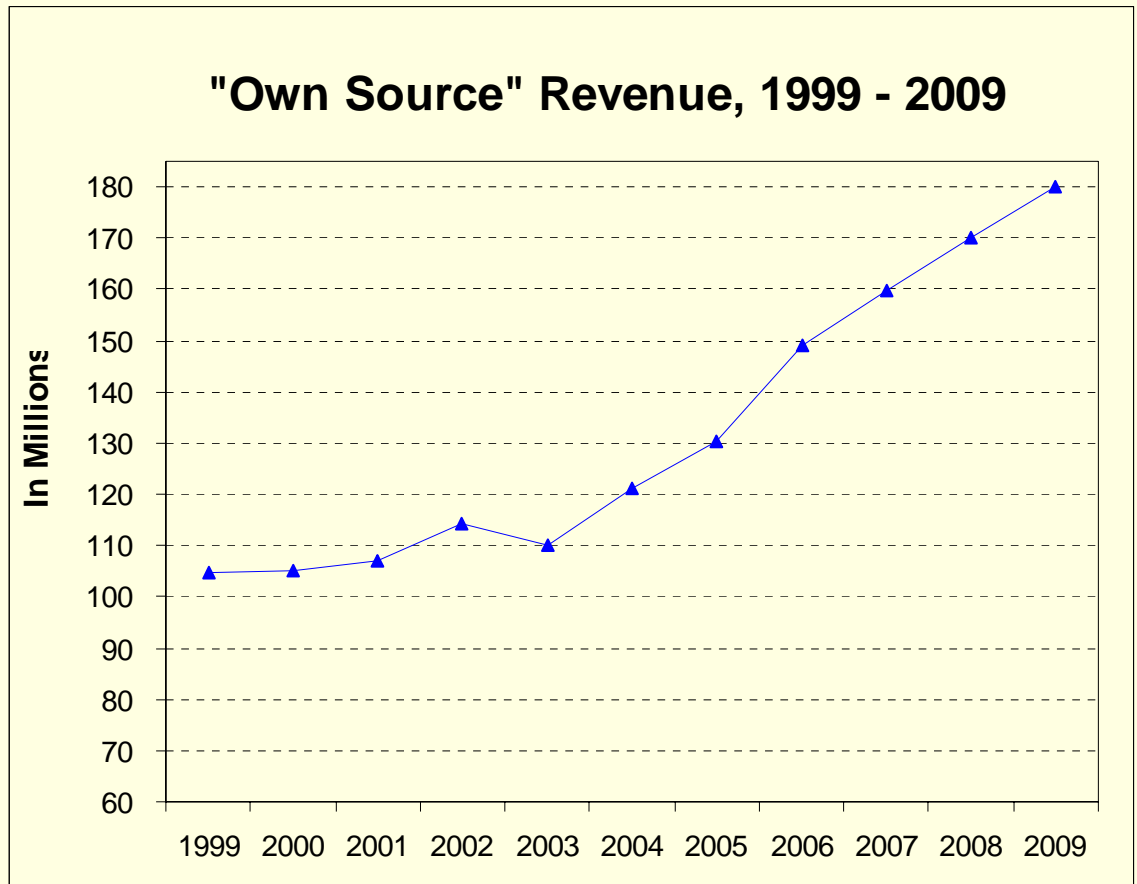


City Tax Levy Per Capita



“Own Source” Non-Property Tax Revenue: City of Milwaukee

Year *	"Own Source" Revenue
1999	\$104,536,238
2000	\$105,232,512
2001	\$107,011,389
2002	\$114,432,852
2003	\$110,176,664
2004	\$121,057,813
2005	\$130,387,881
2006	\$149,079,452
2007	\$159,734,862
2008	\$169,810,095
2009	\$180,240,515



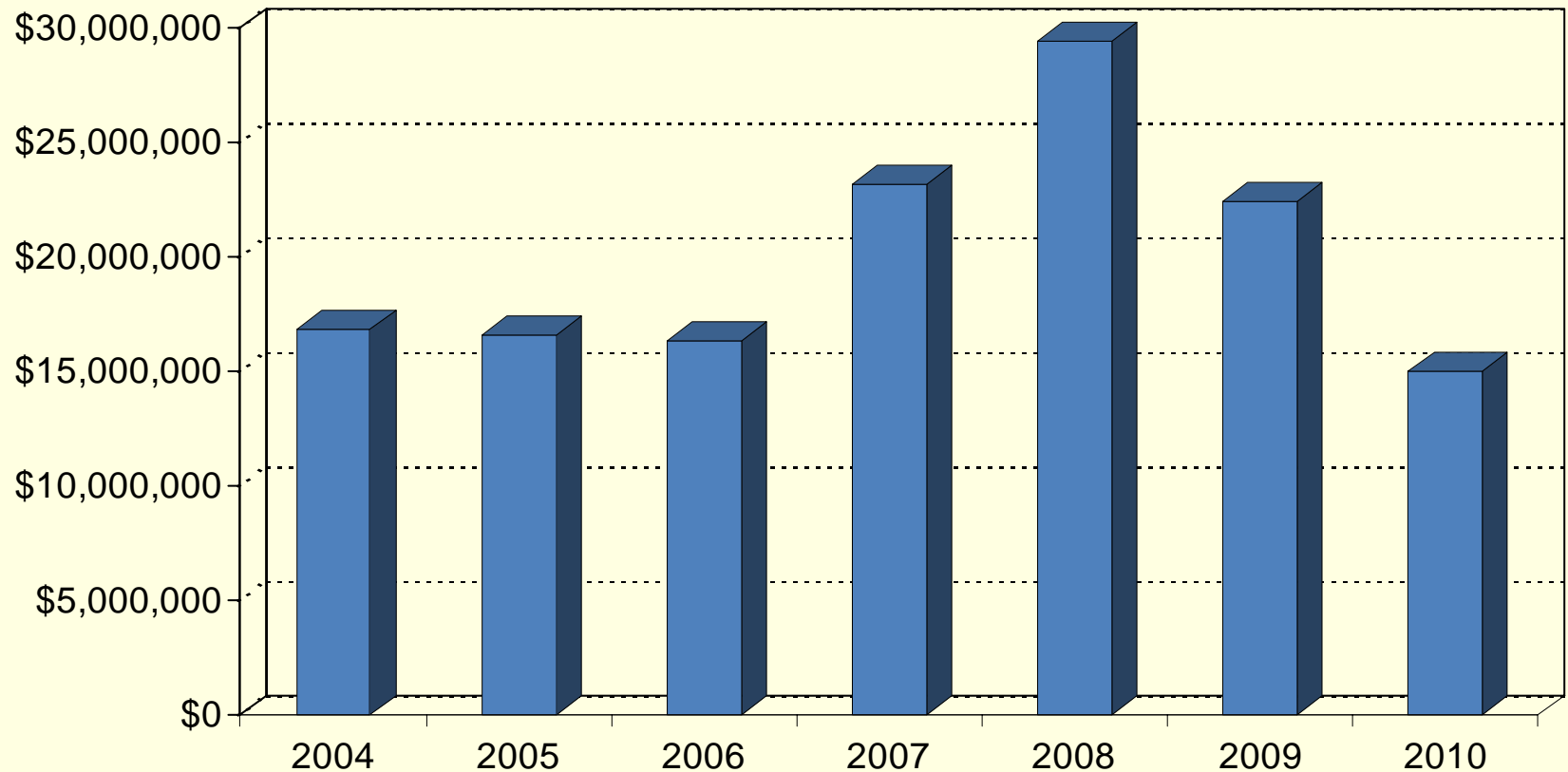
*Amounts = Budgeted Levels

City of Milwaukee Municipal Service Fees: Annual Revenues

	Solid Waste Charges	Snow & Ice Fee	Storm Water Charge	Local Sewer Charge
1999	---	---	---	9,522,524
2000	---	---	---	15,539,870
2001	7,951,900	---	---	17,255,434
2002	13,875,000	3,000,000	---	25,097,111
2003	13,875,000	2,400,000	---	26,286,959
2004	13,875,000	2,400,000	---	23,861,733
2005	14,000,000	2,400,000	---	31,000,000
2006	24,600,000	2,400,000	6,575,552	27,600,000
2007	25,000,000	2,400,000	13,451,392	23,605,260
2008	25,000,000	6,100,000	12,600,000	25,382,000
2009	28,500,000	4,965,402	18,720,330	26,617,000

Source: City of Milwaukee Budget & Management Division

Tax Stabilization Fund Use: 2004-2009 & 2010 Projected



Source: City of Milwaukee Budget & Management Division

Tax Base Projections

1. Residential property values will decline by more than 5% for 2009. Flat to moderately negative growth expected for 2-4 years thereafter.
2. Commercial property values are expected to be flat for 2009, with the possibility of negative growth for 2-3 years thereafter.
3. Value of new construction will decline from 2-3% annual increases in recent years to less than 1% a year.

2010 Budget Revenue Change from 2009 Budget

■ PILOTs	+\$0.5 million
■ Licenses & Permits	-\$1.0 million
■ Intergovernmental	-\$1.4 million
■ Charges for Service	-\$0.2 million
■ Fines & Forfeitures	-\$0.3 million
■ Miscellaneous	-\$3.4 million
■ Fringe Benefits	<u>+\$0.4 million</u>
■ Total	-\$4.3 million

Implications for 2010 Budget Challenge

Projected cost to continue current services

- Projected available revenues #

= Structural Imbalance

Assumes a trend total levy increase of 3.5%

■ Based on our initial projections, the opening 2010 imbalance = \$85-\$90 million

Competitive Problems: City Revenue System

Comparative Revenue & Expenditure Report (2008)

1. Annual report from Comptroller's Office analyzes City government revenues & expenditures from 10 regional "lead cities", including Milwaukee.
2. Key findings include:
 - Milwaukee's per capita total revenue is 23% less than the 10-city average
 - Milwaukee's per capita total expenditures are 17% less than the 10-city average (8th highest of 10)
 - Milwaukee's per capita total local revenues are 49% less than the 10-city average (10th highest of 10)
 - Milwaukee's per capita property taxes are 32% higher than the 10-city average (4th highest of 10)
 - Milwaukee's per capita intergovernmental revenues are 31% higher than the 10-city average (3rd highest of 10)
 - The other cities in the 10-city sample average \$482 in per capita "other" local taxes (\$0 per capita for Milwaukee)

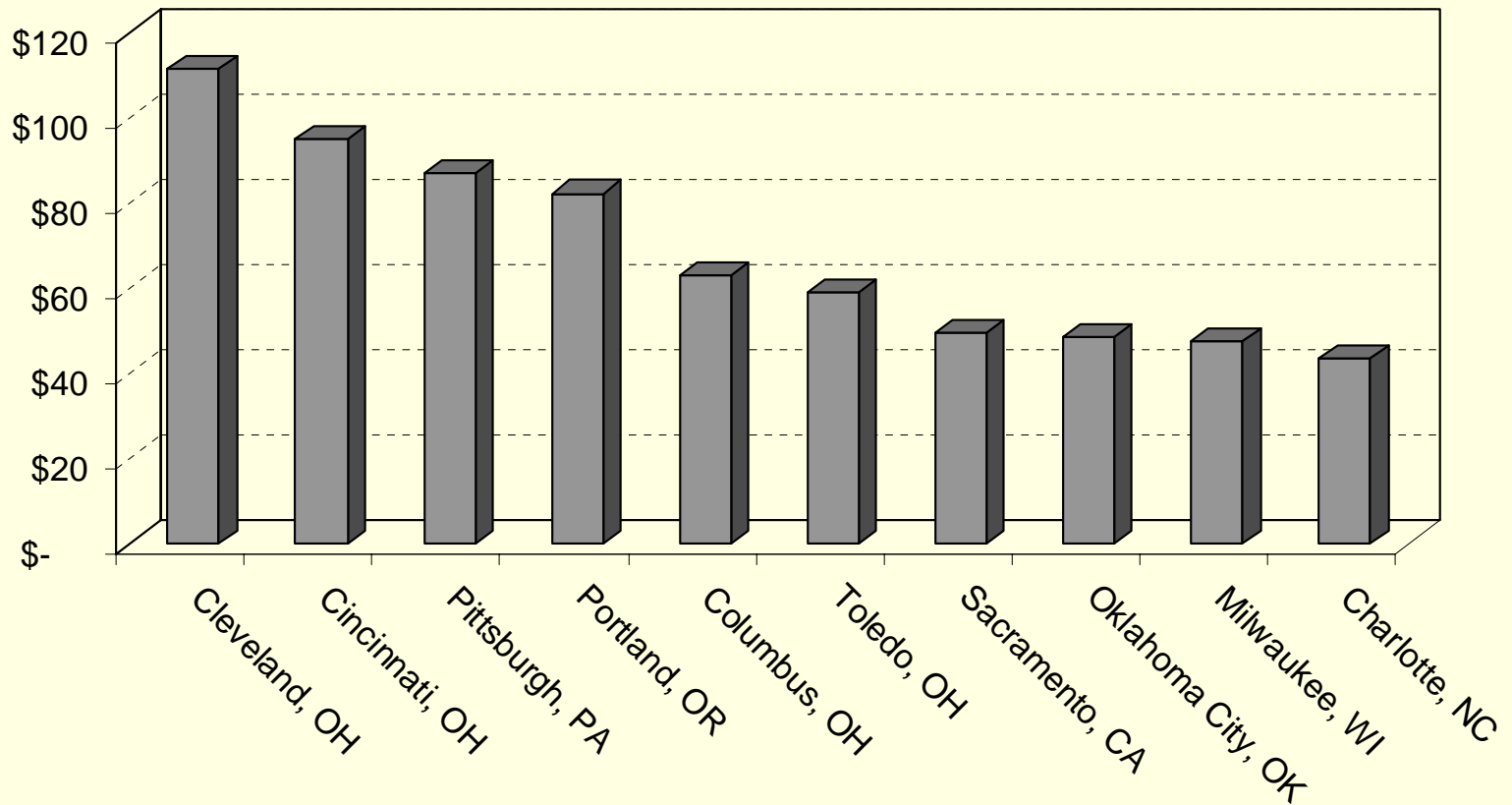
Competitive Problems: City Revenue System (cont'd)

Comparative Report: Policy Implications

1. State-local government fiscal relationship no longer equalizes fiscal capacity:
 - Purpose of Shared Revenue was to equalize local government fiscal capacity by redistributing state tax revenues while limiting local option taxes.
 - Fiscal capacity results from the interaction of state aids & the local revenue system
2. Milwaukee's local revenue diversification relies heavily on extractions from property & the residential sector.
3. Milwaukee's local revenue portfolio lacks a consumption component to redistribute some of the tax burden from residential property & export some cost of government to non-residents.
4. State income tax and sales tax revenue growth is being applied to the other 4 major State GPR programs—not to Shared Revenue.
5. Interaction of a stagnant state shared revenue component combined with a poorly diversified local revenue structure => uncompetitive fiscal capacity.

Impacts on Income from City Own Source Revenues

Local Taxes & User Charges per \$1000 of Per Capita Income



Source: City of Milwaukee Comptroller 2008 "Comparative Revenue and Expenditure Report" adjusted with 2006 population and income data.

2010 BUDGET DEVELOPMENT

Goals:

1. Ensure crucial service priorities are adequately funded.
2. Establish new approaches to operations that improve ongoing sustainability.
3. Fund pension costs responsibly.
4. Limit new levy-supported borrowing authorizations to less than \$70 million.
5. Limit the combined impact of tax levy increase for City purposes & municipal service charge increases on “typical” homeowner to 4% or less.

2010 BUDGET DEVELOPMENT (cont'd)

Some Basic Issues:

1. Cost recovery levels for municipal service fees
2. New operational approaches
3. Strategies to reduce impact of fringe benefits
4. Making central services more effective
5. Integrating operating and capital strategies

Value of 2009 Budget Adjustments

1. Increase TSF “regeneration”
 - Improve future budgets’ reserve capacity
 - Address rating agency concerns
2. Enhance 2010 budget flexibility
 - Vacancies => reduced layoff exposure
 - Carryover potential in limited cases
3. Ensure adequate funding for Q4 snow & ice operations
4. Reduce future debt impact of emergency borrowing in 2009
 - \$15 million of expenses for 2008 snow & ice operations => \$2.8 million estimated borrowing

Comments & Questions??

- You may contact Mark Nicolini (x 5060) or Dennis Yaccarino (x 8552) for information about this presentation

Comments & Questions??

- Note: Any recommended 2009 Budget adjustments will be presented during the next Council cycle.
- You may contact Mark Nicolini (x 5060) or Dennis Yaccarino (x 8552) for information about this presentation



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090043

File ID: 090043

Type: Resolution

Status: In Committee

Version: 1

Reference:

Controlling Body: FINANCE &
PERSONNEL
COMMITTEE

Requester: BUDGET AND
MANAGEMENT
ANALYSIS DIVISION

Cost:

File Created: 05/05/2009

File Name:

Final Action:

Title: Substitute resolution approving a 2009 Budget Management Plan.

Notes:

Code Sections:

Agenda Date:

Indexes: BUDGET, BUDGET AND MANAGEMENT DIVISION

Agenda Number:

Sponsors: THE CHAIR

Enactment Date:

Attachments: Cover Letter ,Fiscal note ,Summary 2009 Budget Management Plan Goals ,Cover letter from Dept of Employee Relations regarding mandatory furlough days ,Exhibit A Furlough savings estimate.xls ,Exhibit B Summary of Operational Details ,Dept of Employee Relations Mandatory Furlough Policy and Administrative Guidelines ,Hearing Notice List

Enactment Number:

Drafter: mn

Effective Date:

Contact:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:	
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE				
	Action Text:	This Resolution was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE						
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009			
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009			
1	CITY CLERK	06/11/2009	DRAFT SUBMITTED					
	Action Text:	This Resolution was DRAFT SUBMITTED						

0 FINANCE & 06/15/2009
PERSONNEL
COMMITTEE
0 COMMON COUNCIL 06/16/2009

Text of Legislative File 090043

..Number
090043
..Version
SUBSTITUTE 1
..Reference

..Sponsor
THE CHAIR

..Title
Substitute resolution approving a 2009 Budget Management Plan.

..Analysis
This resolution approves a 2009 City Budget Management Plan to adjust 2009 expenditures and plan for the 2010 City Budget in the face of increased annual costs of continuing baseline services and lack of revenue growth to fund services, including:

1. Continued review by the Department of Administration Budget and Management Division of requests to fill vacant positions to achieve at least 200 full-time vacant Operating and Maintenance-funded positions in the general city employee category by December 2009.
2. Suspending \$663,000 from the Fire Department's salaries and wages account.
3. Suspending a total of approximately \$1,527,000 from the salaries and wages account of various city departments as a result of implementation of a furlough program enacted under ordinance File Number 090102.
4. Directing city departments not to exceed funds budgeted for Energy in the "line item budget" for any other purpose other than energy expenses, unless the Department of Administration Budget and Management Division provides prior approval in writing for such expenditure.

The resolution also directs the Budget and Management Division to report on the implementation of the 2009 Budget Management Plan and its progress toward achieving its objectives to the Common Council's Finance and Personnel Committee at the regularly scheduled December 16, 2009 meeting, as well as any other time the committee directs.

..Body
Whereas, The City of Milwaukee's 2009 Budget has experienced an ongoing imbalance between the increased annual costs of continuing baseline services and the lack of revenue growth to fund services; and

Whereas, The inflation-adjusted value of shared revenue to Milwaukee has decreased by approximately \$60 million since 2003, and the City expects to lose additional shared revenue as part of the 2009-2011 State Budget; and

Whereas, 2008 investment losses for the City's Employees Retirement System are expected to result in an increased City contribution of at least \$49 million in the 2010 City Budget; and

Whereas, In 2008 the City experienced approximately 107 inches of snowfall and expended approximately \$15 million for snow and ice removal operations, resulting in 2009 contingent borrowing of \$2.7 million that will increase City debt service over the next 2 years; and

Whereas, 2009 first quarter snow and ice removal expenditures consumed approximately 70% of the

2009 operating budget allocated for that purpose; and

Whereas, The City's Tax Stabilization Fund balance has declined to approximately \$25.5 million for the 2010 Budget, which will limit the City's future budget flexibility; now, therefore, be it

Resolved, By the Milwaukee Common Council that a 2009 Budget Management Plan is approved in order to achieve the following objectives:

1. Achieve an expenditure lapse of at least \$13 million that would be available for regeneration into the 2011 Tax Stabilization Fund balance as well as for potential carryover, on a limited basis, into 2010 to avoid future service reductions that would otherwise occur.
2. Achieve at least 200 full-time Operating and Maintenance (O&M)-funded position vacancies in the general city employee category by December, 2009, in order to reduce the City's 2010 budget exposure for salary and Unemployment Compensation expenditures and to improve budget flexibility.
3. Ensure that the City has sufficient O&M funding available for snow and ice removal operations in the fourth quarter of 2009.
4. Enable a cancellation of all or part of the debt related to the \$2.7 million of 2009 contingent borrowing that occurred as a result of exceedingly high expenditures for snow and ice operations during 2008.

; and, be it

Further Resolved, That the following actions are authorized and directed in order to achieve the objectives of the 2009 Budget Management Plan:

1. Continued review by the Budget and Management Division of requests to fill vacant positions under s. 18-10-6-c-3, City Charter, in a manner consistent with achieving the objectives of the 2009 Budget Management Plan.
2. Consistent with s. 18-06-13, City Charter, suspension of \$663,000 in appropriations from account 0001-3280-R999-006000 in the Milwaukee Fire Department budget.
3. Consistent with s. 18-06-13, City Charter, suspension of appropriations from salary accounts of approximately \$1,527,000 in various City departments as enumerated in Exhibit A (attached to this file) as a result of implementation of a furlough program, pursuant to the passage of Common Council File Number 090102, an ordinance implementing mandatory furloughs, the details of which are further specified in Exhibit B attached to this file; provided that these furloughs are consistent with the provisions of s. 350-116-4, Milwaukee Code of Ordinances.
4. Departments shall not expend funds budgeted for Energy in the "line item budget" for any purpose other than energy expenses, unless the Budget and Management Division provides prior approval in writing for such expenditure. The Division shall report any such approvals to the Finance and Personnel Committee on a monthly basis.

; and, be it

Further Resolved, That the 2009 Budget Management Plan shall contain an adjustment to the 2009 Snow and Ice Removal Cost Recovery Charge, as provided by s. 309-83, Code of Ordinances, in order to achieve objectives 3 and 4 of the Plan, to be implemented in File Number 090044; and, be it

Further Resolved, That the Budget and Management Division is directed to report on the implementation of the 2009 Budget Management Plan and its progress toward achieving its objectives to the Finance and Personnel Committee at the Committee's regularly scheduled December 16, 2009 meeting, as well as any other time the Committee chooses to direct.

..Requestor

Budget and Management Division
MN:BF10-3C
April 27, 2009

..Drafter
BJZ:lp
LRB 09241-1
06/11/2009



ASSOCIATION OF LAW ENFORCEMENT ALLIED SERVICES PERSONNEL

John Whitman
President

Florian Kurth
Vice President

Lori Resch
Treasurer

Susan McGovern
Secretary

Marianne Kwiatkowski
Trustee

June 8, 2009

Mayor Thomas Barrett
City Hall
200 E Wells Street
Milwaukee, WI 53202

Members of the Common Council
City Hall
200 E Wells Street
Milwaukee, WI 53202

Re: City's suggested employee furloughs/layoffs

Dear Mayor Barrett and Members of the Common Council:

This letter is written on behalf of the Association of Law Enforcement Allied Services Personnel, Local 218 (ALEASP) members and is a follow up to our letter to you dated June 2, 2009.

In our June 2 letter, we raised certain specific issues and questions concerning the City's suggested employee furloughs/layoffs. We are again respectfully requesting that these issues and questions be addressed and that we meet formally or informally with the City and its duly authorized representatives to work towards a mutually agreeable solution to the situation.

In the meantime, as we noted in point number #7 in our June 2 letter, we understand that there apparently are certain statutory, contractual and municipal laws which affect the furloughs/layoffs question, including establishing the procedures which are or might be conditions precedent to any final decision or implementation of any such decision. It is our understanding that these legal procedures and requirements include but are not necessarily limited to Wis. Stats. §62.50 and Milwaukee Ordinance, Chapter 350, Employee Regulations and Benefits, subchapter 10, General Regulations, specifically 350-229 "Rotative Employment System."

Thus far, we have not been able to find or confirm in the proceedings or paperwork anything that reflects compliance with these procedures. Please advise as to where and when these conditions have been met.

Local 218 AFL-CIO – I.U.P.A.
P.O. Box 091035 Milwaukee, WI 53209
Office: (414) 671-6610 Fax: (414) 671-6620

In addition, there is also an issue concerning the effect and impact any furloughs/layoffs will have on pension issues. It is our belief that an answer on this issue is needed from the Pension Board before the City can address the furlough/layoff issues. We wish to discuss this with the City also so that none of our members are adversely impacted in their pension benefits and entitlements.

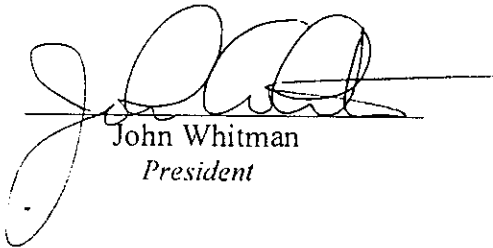
Further, we are requesting from the City its assurance that the issue of furloughs/layoffs will not impact the GPS and are presently looking into whether or not there might be FLSA issues. What is the City's position in this regard?

We wish to emphasize that ALEASP and its members desire to work amicably with the City while at the same time respectfully requesting that the City work amicably with us in addressing these concerns as outline above and the severe, personal economic impacts which our members, your employees, are confronted with. We also wish to remind the City that ALEASP members continue to endure through this economic crisis at 2006 wages in 2009.

Please advise us in writing so that we can discuss this as a board.

Thank you.

Sincerely,



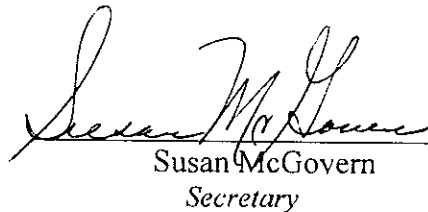
John Whitman
President



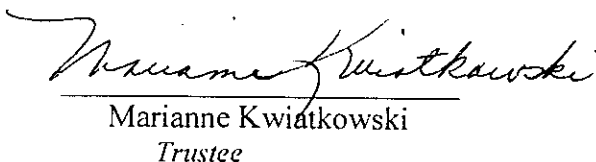
Florian Kurth
Vice President



Lori Resch
Treasurer



Susan McGovern
Secretary



Marianne Kwiatkowski
Trustee



Department of Employee Relations

Tom Barrett
Mayor
Maria Monteagudo
Director
Michael Brady
Employee Benefits Director
Troy M. Hamblin
Labor Negotiator

June 4, 2009

Mr. John Whitman, President
Association of Law Enforcement
Allied Services Personnel
Local #218, AFL-CIO, IUPA
P.O. Box 091035
Milwaukee, WI 53209

RE: Furlough Letter Dated June 2, 2009

Dear Mr. Whitman:

I am responding to your June 4, 2009 letter to Mayor Tom Barrett regarding employee furloughs. In an effort to eliminate many of the objections you raised, the City will make the following offer to the Association of Law Enforcement Allied Services Personnel (ALEASP):

In lieu of two (2) days of furloughs during 2009, all employees represented by ALEASP shall voluntarily take two (2) unpaid vacation days between the execution date of this agreement and December 31, 2009.

Employees represented by ALEASP who have no vacation available for use between the execution date of this agreement and December 31, 2009, shall take two (2) days of voluntary furloughs as directed by management.

John Whitman, President
ALEASP

Date

If you agree to the above conditions, please sign and return a copy of this letter. If you would like to meet to discuss this, please contact me as soon as possible. Absent

Mr. John Whitman, President
Association of Law Enforcement
Allied Services Personnel
Local #218, AFL-CIO, IUPA
June 4, 2009
Page 2

agreement from the union that would provide for an equalized reduction of salary, the City will proceed with furloughs for the vast majority of employees represented by ALEASP.

Sincerely,



Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief
Jeff Mantes, Commissioner

TMH:lk



ASSOCIATION OF LAW ENFORCEMENT ALLIED SERVICES PERSONNEL

John Whitman
President

Florian Kurth
Vice President

Lori Resch
Treasurer

Susan McGovern
Secretary

Marianne Kwiatkowski
Trustee

June 2, 2009

Mayor Thomas Barrett
City Hall
200 E Wells Street
Milwaukee, WI 53202

Members of the Common Council
City Hall
200 E Wells Street
Milwaukee, WI 53202

Re: City's suggested employee furloughs/layoffs

Dear Mayor Barrett and Members of the Common Council:

This letter is written on behalf of the Association of Law Enforcement Allied Services Personnel, Local 218 (ALEASP) members.

At the outset, we wish to advise that our members, your employees, are all too aware of the economic conditions which exist at this time. This is especially true since they generally live paycheck to paycheck and have families to support. Due to the potentially severe, personal impacts which furloughs/layoffs will have on our individual members, we are writing this letter to attempt to bring our concerns and issues to your attention in hopes of minimizing, if not even avoiding, those impacts on our members.

In this regard, we have several concerns:

1. It is our belief that the furloughs/layoffs of ALEASP members will necessitate removing police officers from the street and patrol duties and reassigning them to cover the duties normally performed by our members. Therefore, the question is: what economic benefit would come from this since our members make considerably less than the City's police officers? In essence, the City would end up paying more for those work duties than if it had simply not furloughed/laid off our members.

Local 218 AFL-CIO - I.U.P.A.
P.O. Box 091035 Milwaukee, WI 53209
Office: (414) 671-6610 Fax: (414) 671-6620

2. It is our further belief that our parking checker members generate more revenue for the City than it costs the City to pay those parking checkers for performing their duties. Question: what fiscal benefit would there be in furloughing/laying off the parking checkers?

In addition, what costs would the City incur in reassigning, for example, police officers to perform parking checker duties? It would appear that such a reassignment of higher paid police officers to do parking checker duties would cost more than the revenue which would be generated. Not assigning personnel to do those parking checker duties would lead to a total loss of the revenue for the City which is normally generated by the parking checkers.

3. It has also come to our attention that the City is anticipating hiring more dispatchers, seasonal telecommunicators, more regular telecommunicators and 6 new Office Assistant I's. If the money, and the need, exists for these additional employees, why would any present dispatchers or telecommunicators be furloughed/laid off? When viewed in light of the additional costs of training such new personnel, what fiscal benefit would the City achieve in such a course of action? Again, it would appear that the economic benefit to the City would result in a larger expenditure of monies rather than simply not furloughing/laying off the present personnel.
4. Another issue which concerns us is that there are police officers who are assigned to limited duty. Many of these officers are not in uniform and are not to be carrying a firearm and are assigned to such duties such as filing documents and doing other types of clerical work which is done by our members; however, these limited duty officers apparently are not to be included in the furlough/layoff proposal. Why? It would appear that the cost to have more highly paid limited duty police officers not be furloughed/laid off, while having them perform the duties of our civilian members would not achieve any economic benefit for the City. How does the City project saving money in that situation?
5. Our labor contract does not provide for furloughs but it does cover layoffs. Layoffs, contractually, are to be by seniority, as more specifically set forth in the ALEASP collectively bargained agreement with the City of Milwaukee. Despite having been asked, the question remains: will our contract be honored and the seniority provisions followed?
6. It is also a concern that the loss of eight (8) hours of pay all at one time would again adversely impact our members. It is suggested that rather than an eight (8) hour loss of pay, perhaps that time could be extended into two (2) different four (4) hour blocks of pay. This would help alleviate the economic reduction of salary or compensation which our members would experience and spread that reduction of salary or compensation over an extended time period of time rather than have it hit our members all at once. Moreover, this may also provide assistance in retaining the benefits utilized by our members.

Additionally, since each person knows their respective financial condition better than someone else, it is also suggested that the employee be given a choice as to when to take required time off to better soften the impact of the reduction of salary or compensation.

7. We understand that there are appropriate legal procedures and requirements which impact and govern furloughs/layoffs. In this regard, we are hopeful that any action taken by the City will duly comply with all of the statutory, contractual and municipal laws, including such preliminary

requirements which are or might be conditions precedent to any final decision or implementation of any such decision.

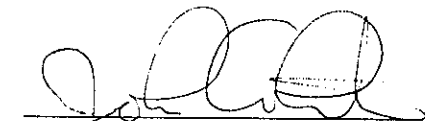
We wish to emphasize that ALEASP and its members desire to work amicably with the City while at the same time respectfully requesting that the City work amicably with us in addressing these concerns as outline above and the severe, personal economic impacts which our members, your employees, are confronted with. We also wish to remind the City that ALEASP members continue to endure through this economic crisis at 2006 wages in 2009.

We are also respectfully requesting to meet formally or informally with the City and its duly authorized representatives to work towards a mutually agreeable solution to the situation.

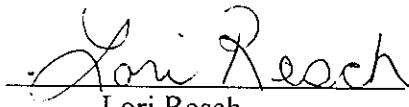
Please contact us since we are very interested in staying on top of this situation.


Thank you.

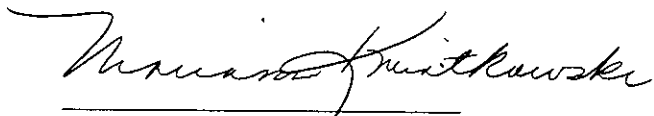
Sincerely,


John Whitman
President


Florian Kurth
Vice President


Lori Resch
Treasurer


Susan McGovern
Secretary


Marianne Kwiatkowski
Trustee



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
5625 West Wisconsin Avenue
Milwaukee, WI 53213

RE: Local #215 Proposal and Furloughs

Dear Mr. Webber:

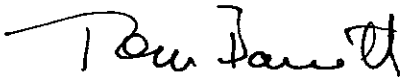
I spoke with Mr. Hamblin regarding your proposal to maintain a minimum staffing level of 250 employees forever in exchange for the employees giving up one paid off day. As I am sure you are aware given the economic challenges that lie ahead for the City of Milwaukee and the uncertainty we face, the City is not able to agree to your proposal. Mr. Hamblin will be providing you with a counter offer that would keep the 5th employee on the ladder trucks through the end of pay period 26 of 2009. If Local #215 agrees to the City's proposal, we will take it to the Common Council for approval. Until then the proposal to eliminate the 5th employee on the ladder trucks will be moved forward to the Common Council.

In the interim, one of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Fire Department will be furloughing all non-represented management employees, including the Chief. In addition, the City will furlough for 16 hours some employees represented by Local #215. The employees who will be furloughed are those who are not involved with front line fire suppression activities. The Chief will decide which employees are to be furloughed.

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
June 5, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Barrett". The signature is fluid and cursive, with a large initial "T" and a stylized "B".

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Douglas Holton, Chief



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

June 8, 2009

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
5625 West Wisconsin Avenue
Milwaukee, WI 53213

RE: City of Milwaukee Counter Proposal to Local #215

Dear Mr. Webber:

On June 4, 2009 you made the following proposal to the City of Milwaukee:

The City of Milwaukee shall maintain a minimum staffing level in the Milwaukee Fire Department of 250 employees forever in exchange for all employees giving up one paid off day.

As I verbally informed you, your proposal was rejected. However, the City of Milwaukee would provide the following counter proposal to the membership of Local #215:

1. All employees agree to take a total of 19.92 hours of unpaid time off prior the end of pay period 26, 2009, which will be scheduled in the following manner:
 - A. All employees agree to take 9.96 hours of their next scheduled paid off day as unpaid time off.
 - B. All employees agree to take 9.96 hours of one scheduled paid off day in September as unpaid time off.
 - C. If an employee does not have a scheduled paid off day in September, then the employee agrees to take 9.96 hours of one of their remaining scheduled paid off days prior to the end of pay period 26, 2009 as unpaid time off.
2. The City of Milwaukee agrees to retain the fifth (5th) employee on ladder trucks that are currently staffed with five (5) employees until the end of pay period 26, 2009.
3. The City of Milwaukee does not commit to any staffing levels beyond the end of pay period 26, 2009.

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
June 8, 2009
Page 2

4. Local #215 agrees that the City of Milwaukee will have to make alterations to employee time records to execute this agreement because of the lack of codes in the payroll system to accomplish the intent of the agreement.
5. The City of Milwaukee agrees to bargain the impact of the unpaid time off on benefits related to base salary if so requested by Local #215.
6. This agreement expires January 1, 2010.

This counter proposal is the equivalent of 16 hours of unpaid time off if firefighters worked a 40 hour work week.

If you agree to the above conditions, please sign, date, and return a copy of this letter to me before the end of the day on June 12, 2009. The Agreement will then go before the Finance and Personnel Committee meeting on June 15, 2009 and before the Common Council on June 16, 2009.

Thank you for your consideration.

Sincerely,



Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Milwaukee Common Council Members
Douglas Holton, Chief

Bobbie R. Webber
President, Local #215

Date



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. John Balcerzak, President
Milwaukee Police Association
6310 West Bluemound Road
Milwaukee, WI 53213

RE: Furloughs

Dear Mr. Balcerzak:

As you know the City of Milwaukee is facing daunting economic challenges in the coming months. One of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Police Department will be furloughing some Captains and all higher ranking officials, including the Chief.

In addition, the City will furlough for 16 hours some employees represented by the Milwaukee Police Association. The employees who will be furloughed are those who are involved with police support functions rather than patrol duties. The Chief will decide which employees are to be furloughed.

Since approximately 60% of all City employees will lose 16 hours of salary, I am requesting that employees represented by the Milwaukee Police Association, who are not furloughed, participate with a salary reduction by agreeing to take two days of unpaid vacation or floating holidays between now and December 31, 2009.

I also hope you and the entire law enforcement community understand that I am truly appreciative of the work they do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality of their work.

Mr. John Balcerzak, President
Milwaukee Police Association
June 5, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. Thomas P. Klusman, President
Milwaukee Police Supervisor's Organization
2900 W. Forest Home Avenue
Milwaukee, WI 53215

RE: Furloughs

Dear Mr. Klusman:

As you know the City of Milwaukee is facing daunting economic challenges in the coming months. One of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Police Department will be furloughing all non-represented managers, including the Chief.

In addition, the City will furlough for 16 hours some employees represented by the Milwaukee Police Supervisor's Organization. The employees who will be furloughed are those who are involved with police support functions rather than patrol duties. The Chief will decide which employees are to be furloughed.

Since approximately 60% of all City employees will lose 16 hours of salary, I am requesting that employees represented by the Milwaukee Police Supervisor's Organization, who are not furloughed, participate with a salary reduction by agreeing to take two days of unpaid vacation or floating holidays between now and December 31, 2009.

I also hope you and the entire law enforcement community understand that I am truly appreciative of the work you do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality of your work.

Mr. Thomas P. Klusman, President
Milwaukee Police Supervisor's Organization
June 5, 2009
Page 2

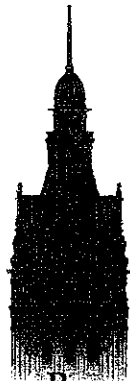
Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief



Tom Barrett
Mayor, City of Milwaukee

June 8, 2009

Mr. Richard W. Abelson, Executive Director
Milwaukee District Council 48
AFSCME, AFL-CIO
3427 West St. Paul Avenue
Milwaukee, WI 53208

RE: Employees Ineligible for Furloughs

Dear Mr. Abelson,

As you know the City of Milwaukee will be asking the Common Council to implement 16 hours of mandatory furloughs for most employees. It appears that all but a few employees represented by District Council 48 will be furloughed at some point during 2009 for 16 hours. The only employees you represent not being furloughed are the following:

Tow Lot Assistant IV (2)
Tow Lot Crew Leader
Tow Lot Assistant III (7)
Tow Lot Attendant (11 regular, 2 auxiliary)

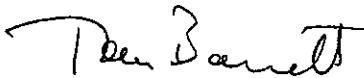
The managers and supervisors in the tow lot will be furloughed. Since all other employees represented by District Council 48 will lose 16 hours of salary, I am requesting that the employees in the above classifications agree to participate in the salary reductions by agreeing to take two days of unpaid vacation between now and December 31, 2009.

I also hope you and the employees you represent understand that I am truly appreciative of the work they do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality or quantity of their work.

Mr. Richard W. Abelson, Executive Director
Milwaukee District Council 48
June 8, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Jeff Mantes, Commissioner

TB:TMH:lk



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

June 8, 2009

Bobbie R. Webber, President
Local #215, Milwaukee Professional Fire Fighters' Assoc.
International Association of Fire Fighters, AFL-CIO
5625 W. Wisconsin Avenue
Milwaukee, WI 53213

RE: Furlough Implementation Impact Bargaining

Dear Mr. Webber:

As you know the Milwaukee Common Council will be voting on two days of furloughs for City employee in 2009. Part of the file includes provisions that require the City to bargain the impact of the furloughs on the employees you represent. The City is attempting to neutralize the adverse impacts on the non-represented employees as it relates to benefits associated with base salary and days worked. The City will offer the same to all unionized employees, and discuss any other options you bring forward.

Once all the documents for the Common Council to review are finalized I will attach them to an electronic mail message and send them to you. As you know the impact bargaining does not have to be completed prior to a vote by the Common Council or even the first furlough day.

If you would like to meet to discuss the impact of the furloughs, please contact me to schedule a meeting.

Sincerely,

Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Willie L. Hines, Jr., President
Michael J. Murphy, Alderman

TMH:lk

Furlough ImpactBarg_06 2009.doc
Labr/lbr

Reply to Common Council File No. 090043
From DOA-Budget and Management Division

June 12, 2009

Ref: 09027

Common Council File 090043 contains a resolution to approve a 2009 Budget Management Plan.

Significant changes in the City's fiscal condition have occurred since adoption of the 2009 Budget in November of 2008. These include investment losses in the City's Employees Retirement System that will result in increased pension contributions of at least \$49 million for the 2010 Budget; extremely high expenditures for snow and ice operations during the fourth quarter of 2008 that resulted in the necessity for \$2.7 million of emergency borrowing for operations in 2009; projected State Budget actions that will reduce State Shared Revenue and increase the costs of solid waste operations; and a decline in the 2010 Budget Tax Stabilization Fund Balance to \$26.5 million, compared to the projected level of \$30 million. In addition, during the first quarter of 2009 the City expended approximately 70% of its budgeted amount for snow and ice removal operations.

Based on current circumstances, the City should take action during 2009 to improve its financial status. Such improvement will increase future budget flexibility and reduce the potential for unemployment compensation expenses in 2010. Taking action to improve the balance in the Tax Stabilization Fund addresses a key rating agency concern.

The Budget Management Plan contains four components which are expected to improve the City's fiscal condition by approximately \$14 million. The details of the Plan are summarized in several attachments to the file. The Plan is designed to minimize the impact of the expenditure reductions on City services.

The Administration will continue to evaluate the City's fiscal options, including the impacts of the 2009-2011 State Budget (expected to be adopted in July) on the City. The Budget & Management Division will report on this evaluation to the Committee in September, and the Administration may recommend that additional actions be taken during the fourth quarter of this year.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 090043



Mark Nicolini
Budget & Management Director

MN:cei

FINANCE:090043sr.doc

April 28, 2009

Ref: BF10-3C

Common Council
City of Milwaukee

Subject: Introduction of Title Only Resolutions

Dear Honorable Members:

We are submitting the attached resolutions for introduction at the May 5, 2009 Common Council meeting. We are requesting the following files to be introduced by title at this time and will provide the detailed resolution and fiscal note for this purpose at a later date.

1. Communication from the Budget and Management Division Regarding the City's Fiscal Condition. This communication will summarize the city's current fiscal condition as it will affect the next three city budgets, and will outline some options that the city may consider to address its structural budget imbalance. We have discussed this with Council leadership and understand that it will be referred to the Steering and Rules Committee.
2. Resolution Approving a 2009 Budget Management Plan. This resolution will include actions, many already initiated, which are intended to improve the city's ongoing structural budget condition. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.
3. Resolution Amending the 2009 Local Snow and Ice Removal Charge in Accordance with Sub-Section 2(a) and (b) of Section 309-83 of the Milwaukee Code of Ordinances. As part of the 2009 Budget Management Plan, the Administration recommends modifying the 2009 charge to reflect recent expenditure trends to enable full cost recovery of 2009 snow and ice control operations. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.

Respectfully submitted,

Mark Nicolini
Budget and Management Director

MN:dmr
Attachments
Common/finance/resolutions/titleonlyletter3resolutions

CITY OF MILWAUKEE FISCAL NOTE

A) DATE June 11, 2009

FILE NUMBER: 090043

Original Fiscal Note Substitute

SUBJECT: Resolution approving a 2009 Budget Management Plan.

B) SUBMITTED BY (Name/title/dept./ext.): Dennis Yaccarino, Budget & Policy Manager-Sr., DOA BMD x8552

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS			12,115,000	2,000,000	

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:
 See Attachment.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

SUMMARY OF 2009 BUDGET MANAGEMENT PLAN: GOALS

1. **Get ready for future Budget challenges:** Achieve an expenditure lapse of at least \$13 million that would be available for regeneration into the 2011 Tax Stabilization Fund balance as well as for potential carryover, on a limited basis, into 2010 to avoid future service reductions that would otherwise occur.
2. **Reduce potential for layoffs:** Achieve at least 200 full-time Operating and Maintenance (O&M)-funded position vacancies in the general city employee category by December, 2009, in order to reduce the City's 2010 budget exposure for salary and Unemployment Compensation expenditures and to improve budget flexibility.
3. **Prepare for year-end snow season:** Ensure that the City has sufficient O&M funding available for snow and ice removal operations in the fourth quarter of 2009.
4. **Reduce debt burden:** Enable a cancellation of all or part of the debt related to the \$2.7 million of 2009 contingent borrowing that occurred as a result of exceedingly high expenditures for snow and ice operations during 2008.

COMPONENTS

Department	Item	Projected Savings/Revenue	Comments
City wide-General City	Continue limited approval to fill vacancies	\$6,400,000	Applies to general city employe categories, all funds, for all of 2009. Projections are based on 2006-2008 rates of vacancy approvals.
City wide	Projected savings due to reduced energy costs	\$3,525,000	<ul style="list-style-type: none"> • Fuel savings: \$3,100,000 • Electricity savings: \$325,000 • Natural gas savings: \$100,000
City wide	Furlough program	\$1,527,000	Based on proposed policy and ordinance provisions, all funds
Fire Department	Staff all but 2 ladder companies with 4 personnel	\$663,000	Savings based on pay period 14 implementation
Revenue	Increase the 2009 snow and ice removal cost recovery charge from 52.83 cents per frontage foot to 74.11 cents per frontage foot	\$2,000,000	Based on a street frontage of 43 feet, the property owner would pay \$31.87 for the charge, as opposed to \$22.72, a difference of \$9.15. The final 2008 charge was 65.22 cents per frontage foot, or \$28.04 for an owner of a property with 43 feet of frontage.
Total		\$14,115,000	



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits
Director

Troy Hamblin
Labor Negotiator

June 11, 2009

To the Honorable
Members of the Common Council
City of Milwaukee

Dear Honorable Members;

Common Council File #090043 includes a resolution approving a 2009 Budget Management Plan authorizing the implementation of two mandatory furlough days for city officials and most city employees as one of the measures to adjust 2009 expenditures and plan for the 2010 City Budget given the City's fiscal challenges. Common Council File #090102 is an ordinance relating to the implementation of mandatory furloughs per the aforementioned resolution.

The decision to recommend mandatory furloughs included a careful analysis of how to implement this initiative in a manner that would minimize the impact on employee benefits and the disruption of City services. This analysis included an assessment of the impact of mandatory furloughs on several important areas including operations, grants, service delivery, and unemployment insurance liability.

While several alternatives were considered, it was determined that the most efficient way to implement two mandatory furlough days between now and the end of the fiscal year was to schedule them for most City departments at once during a holiday week. Departments, however, have the flexibility to staff essential services and operations during the mandatory furlough days and schedule those employees for furlough time before the end of the year. The implementation of mandatory furloughs for most employees at the same time has the advantage of ease of administration, more effective messaging to residents, and additional savings achieved from closed facilities.

Two mandatory furlough days have been identified – July 2, 2009 and September 8, 2009. All city officials and most employees will be furloughed, essentially shutting down most City operations. Exhibit B, attached to Common Council file #090043, Budget Management Plan, summarizes operational details associated with the implementation of mandatory furloughs across City departments. The number and type of positions identified under each “furlough-eligibility” category is subject to change based on business need and service delivery considerations or provisions of Memorandum of Understanding (MOU) between the City and its labor unions.

One of the key considerations in making the decision to recommend mandatory furloughs was to eliminate or minimize the impact of mandatory furlough time on employee benefits that are based on payroll status, including but not limited to vacation, sick leave, sick leave incentive and service credit for retirement purposes. Council File #090102 includes changes to the Milwaukee Code of Ordinances, Council File #090183 includes changes to the City Charter, and Council File #081192 includes changes to the Salary Ordinance to achieve this purpose.

It is important to note, however, that for represented employees, the impact or effects of mandatory furloughs upon such benefits, and upon wages, hours, and conditions of employment generally, are ultimately subject to bargaining between the City and the unions representing these employees. It is anticipated, however, that the goal of minimizing the impact of mandatory furloughs upon employee benefits is one that will be shared by the City and its unions.

The document “Mandatory Furlough Policy and Administrative Guidelines” has been developed by the Department of Employee Relations and is attached to this file. This document will provide guidance to City managers, human resources practitioners and payroll staff in implementing the City’s mandatory furlough initiative. This manual also answers important employment related questions and considerations that many employees will have.

Respectfully submitted,

Maria Monteagudo
Employee Relations Director

C: Mark Nicolini
Patrick Curley
Troy Hamblin

2009 City of Milwaukee Furlough Initiative - Summary of Operational Details

Common Council File #090043 EXHIBIT B DER/DOA-Budget and Management Division June 11, 2009

Common Council File #090043 authorizes the implementation of two mandatory furlough days for city officials and most city employees. If the file is approved by the Common Council, the City will implement a mandatory furlough program that includes a shutdown of most City services on July 2 and September 8, 2009. This document summarizes the operational details associated with the implementation of this initiative across City of Milwaukee departments. The number and type of positions identified under each "furlough eligibility" category is subject to change based on business need, service delivery considerations or provisions of applicable Memorandum of Understanding (MOU) between the City and its labor unions.

Furlough-eligible functions have been identified by body of work. Most employees will be subject to the mandatory furlough on the days identified above while some employees will be subject to two days of delayed-mandatory furloughs to be scheduled in increments of 8 hours by the department head before the end of the 2009 fiscal year.

In general, mandatory furloughs will apply to all city officials and most employees independent of funding source. Furthermore, employees will not be allowed to substitute paid leave for mandatory furlough time except as otherwise allowed under applicable MOU's between the City and its labor unions. The implementation of mandatory furloughs across City departments is summarized below:

CABINET DEPARTMENTS: will comply with the mandatory furloughs scheduled for 07/02/09 and 09/08/09 for most employees. However, some employees staffing key functions will be required to work during the aforementioned days but will be scheduled for two mandatory furlough days as determined by the appointing authority or his/her designee before the end of the 2009 fiscal year.

NON-CABINET DEPARTMENTS: retain the flexibility of determining when employees will be furloughed. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed furlough days for furlough-eligible employees. The mandatory furloughs must, however, be implemented in 8-hour increments before the end of the fiscal year. Most non-cabinet departments have indicated that they will comply with the City-wide shut down on July 2, 2009 and September 8, 2009. The Municipal Court has decided to schedule the second mandatory furlough day on Friday, September 4, 2009 to minimize disruption in operations.

PROTECTIVE SERVICE DEPARTMENTS: The Chief of Police and the Fire Chief shall identify furlough-eligible and furlough-ineligible civilian and sworn positions to be scheduled for two 8-hour time periods of unpaid time off in a manner designed to minimize the disruption to department operations, maintain appropriate public safety/law enforcement resources and personnel, and avoid additional overtime or related expenditures.

FURLOUGH-ELIGIBILITY CLASSIFICATIONS

Furlough-Eligible –(FE) employees who occupy positions which have been identified as furlough eligible, and who are subject to furlough provisions applicable to their respective department and/or applicable provisions of MOU's between the City and its labor unions. All City of Milwaukee employees who are identified as furlough- eligible will be subject to two mandatory furlough days in 2009 to be served on July 2, 2009 and September 8, 2009 or scheduled, in a manner to be determined by the department head, in 8- hour increments before the end of the fiscal year.

Furlough-Eligible/Must Report-(FEMR) employees who occupy positions that have been identified as furlough-eligible and who would normally be furloughed on the designated City mandatory furlough days, but who are required to work because of business necessity. Employees who are FEMR will be required to serve two days of delayed mandatory furlough time, in increments of 8 hours, to be scheduled in a manner to be determined by the department head, before the end of the fiscal year.

Furlough-Ineligible – (FI) a position with assigned duties which must be performed on the scheduled mandatory furlough days. Employees occupying such positions are subject to working on the scheduled furlough days and are not required to serve two days of delayed mandatory furlough time. These positions are identified taking into account public safety concerns, areas impacted by a significant staffing shortage, and/or other service delivery considerations. *Note: The Mayor has requested that all unions representing furlough-ineligible employees agree to a comparable 16-hour reduction in salary.*

FURLOUGH-ELIGIBLE/MUST REPORT (FEMR)

DEPARTMENT OF PUBLIC WORKS:

- Garbage collection force of 169 workers: 77 cart collection routes (154 workers), 3 rear load routes (6 workers), 4 front load routes (4 workers), 5 designated date recycling routes (5 workers).
- 1 City Hall Operator
- Night parking enforcement, for the period that ends at 5:00 a.m. on July 3; and for the period that ends at 5:00 a.m. on September 9. Day parking enforcement.
- Electrical Service response (2nd and 3rd shift response for lighting services): 1 Electrical Services Manager, 7 Electrical Mechanics, 3 Electrical Workers, 2 Utility Workers, 2 Laborers-Electrical Service
- Construction Management: inspection of active, on-going construction projects by Public Works Inspectors: 35 Public Works Inspectors, 2 Management Civil Engineer Senior, 1 Civil Engineer III, and 1 Office Assistant III
- Bridge Openings: 14 Bridge Operators and 3 Bridge Operator Lead workers

- Fleet Maintenance Staff of 13 workers: 2 Dispatchers, 4 Field Service Mechanics, 6 second shift Vehicle Services Technicians, and 1 broom to sweep Summerfest and downtown area.
- Sewer Maintenance: 1 crew of a Sewer Investigator and Sewer Investigator Helper for day shift and 1 crew for second shift. The second shift crew will be on-call for the third shift.
- Tow Lot: 1 Tow Lot Manager, 1 Tow Lot Assistant Manager, 1 Vehicle Salvage Supervisor, and 1 Tow Lot Supervisor

WATER WORKS:

Minimum staffing for Water Works treatment plant operations and minimum staffing for Water Works distribution system control to include:

- 2 Water Chemists x 3 shifts
- 4 Senior Water Treatment Plant Operators x 3 shifts
- 2 Water Treatment Plant Operators x 3 shifts
- 1 Water Systems Operator x 3 shifts
- 1 Communications Assistant V x 3 shifts
- 1 Water Distribution Utility Investigator x 3 shifts
- 1 Water Distribution Laborer x 3 shifts

Note: Additional represented employees will be "on call" to respond to water main breaks.

CITY ATTORNEY: parking citation review function

- 1 Assistant City Attorney and 1 Legal Office Assistant on July 2, 2009

HEALTH DEPARTMENT:

July 2, 2009 (4 staff members), *September 8, 2009 (3 staff members)*

- 1 Environmental Health Specialist to work at Summerfest.
- 1 Virologist to work in the laboratory.
- 1 Public Health Nurse (2 hours to administer medication to TB clients)
- 1 Custodial Worker at Northwest Health Center to staff building when federal employees are working.

MILWAUKEE PUBLIC LIBRARY:

- 2 Custodial Workers to staff facilities when MCFLS employees will be working.

DEPARTMENT OF NEIGHBORHOOD SERVICES:

On July 2, 2009 for pre-shoot fireworks inspections, electrical and plumbing for festival and structural and electrical hazards emergency calls.

- 3 to 4 trades inspectors (plumbing, electrical, construction)

PORT:

If ship is scheduled to arrive during the furlough week, the following individuals will be scheduled to work: 1 Operations Manager, 1 Facilities Supervisor, 3 Port Maintenance Technicians, 2 Harbor Crane Operators, 1 Port Mechanic.

FURLOUGH –INELIGIBLE

MILWAUKEE POLICE DEPARTMENT:

To be identified at the discretion of the Chief.

MILWAUKEE FIRE DEPARTMENT:

To be identified at the discretion of the Chief.

DEPARTMENT OF PUBLIC WORKS:

Tow Lot represented employees. The Tow Lot is already scheduled to be closed for July 3-4 and Sept. 7-8 in accordance with City holidays. Tow Lot services involving payment of citations and retrieval of vehicles would be greatly impacted, even with staggered mandatory furloughs of represented employees.

Tow Lot Assistant IV (2)
Tow Lot Crew Leader
Tow Lot Assistant III (7)
Tow Lot Attendant (11 regular, 2 auxiliary)

NOTE: In addition to positions which have been identified as FEMR, City departments will ensure appropriate "on-call" personnel will be available to respond to emergencies during the shut- down.



CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines

Department of Employee Relations
June 11, 2009

CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines

TABLE OF CONTENTS

Background and General Information	2
Definitions.....	4
I Applicability.....	4
II Pay and Salary Considerations	5
III Benefit Considerations	5
IV Hours of Work/Alternative Work Schedule Considerations	8
V Administration of Leave Benefits	8
VI Recordkeeping and Payroll Considerations.....	10
VII General Considerations	10
Index	12

CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines
June 11, 2009

BACKGROUND AND GENERAL INFORMATION

Local governments throughout the nation, including the City of Milwaukee, are experiencing severe budget shortfalls. The City of Milwaukee's Budget has experienced an ongoing imbalance between the increased annual costs of continuing baseline services and the lack of revenue growth to fund these services. Significant decreases in shared revenue and the anticipated pension funding contribution required by the City in 2010 represent serious challenges that we must face.

One of the strategies that will help the City address these challenges is to adjust 2009 expenditures with the implementation of mandatory furloughs for city employees and officials (including public officials appointed pursuant to section 62.51 of the state statutes, the Mayor, the members of the Common Council, and other elected officials). Under this initiative the City will shut down most of its facilities and operations on Thursday, July 2nd and Tuesday, September 8th and will implement a mandatory furlough for all furlough-eligible employees in accordance with Common Council Files #090043 and #090102.

Furlough-eligible functions have been identified by body of work. Most employees will be subject to the mandatory furlough on the days identified above while some employees will be subject to delayed-mandatory furloughs to be scheduled in two eight hour increments as determined by the department head by the end of the fiscal year.

The following assumptions were made in preparing this Policy/Guidance document:

- Applicable provisions of the Milwaukee Code of Ordinances Chapter 350, City Charter, and Rules of the Employee Retirement System Board as amended must be followed.
Note: the impact of mandatory furloughs upon represented employees' wages, hours, and conditions of employment is subject to impact bargaining with such employees' unions. To the extent the effects of mandatory furloughs upon benefits or other employment conditions are described in these Guidelines, such descriptions are subject to and may be modified or even nullified through the impact bargaining process. Should that process result in any changes to the content of these Guidelines as they apply to any group or groups of represented employees, prompt notice will be provided to all City Departments.
- Mandatory furloughs apply to all furlough-eligible positions pursuant to guidelines developed by the Department of Employee Relations and the Department of Administration-Budget and Management Division and contained within Common Council file #090043, Exhibit B-Summary of Operations Details.
- Employees will not be allowed to substitute paid leave for mandatory furlough time, except as otherwise provided for in MOUs between the City and its labor unions.
- The number and type of positions identified under each "furlough eligibility" category is subject to change based on business need and service delivery considerations in place during a mandatory furlough week.

This manual is intended to provide guidance to City managers, human resources practitioners and payroll staff in implementing the City's mandatory furlough initiative. This manual will be revised and updated as necessary. Such changes may include the incorporation of new policy direction, City of Milwaukee Ordinances or state and federal law.

DEFINITIONS

Cabinet Departments – departments under the direction of a public official appointed by the Mayor per provisions 62.51 of the Wisconsin State Statutes.

Non-Cabinet Departments – City Clerk's Office, City Attorney, City Treasurer, Comptroller, Municipal Court, Employee's Retirement System.

Protective Service Departments – the Milwaukee Police and Fire Departments.

Creditable Service – membership service for which credit is allowed under the City Charter for retirement purposes. The Pension Board determines how much service in any years is equivalent to one year of creditable service.

Delayed Mandatory Furlough – alternate time off without pay, taken in place of designated mandatory furlough time, on which a furlough-eligible employee is not scheduled to work.

FLSA-Exempt Employee – an individual designated by DER as being employed as bona fide executive, administrative, professional or computer employees, as defined by the Fair Labor Standards Act (FLSA). FLSA-exempt employees are paid on a "salary basis". This requires that the exempt employee receive his or her entire salary for any work week in which he or she performs any work.

FLSA-Non-Exempt Employee – an employee who is entitled to be paid for all actual hours that he/she is required or permitted to work, including overtime hours.

Furlough-Eligible – an employee or group of employees who occupy positions that have been identified as furlough-eligible and who are subject to mandatory furlough provisions applicable to his/her respective department and/or applicable MOU's between the City and its labor unions.

Furlough-Eligible/Must Report – an employee or group of employees who occupy positions that have been identified as furlough-eligible and who would normally be furloughed on the designated City mandatory furlough days, but are required to work because of business necessity. Employees who are furlough-eligible/must report will be required to serve 2 days of delayed mandatory furlough in increments of 8 hours to be scheduled in a manner to be determined by the department head before the end of the fiscal year.

Furlough-Ineligible – a position with assigned duties that must be performed on the scheduled mandatory furlough days. Employees occupying such positions are subject to working on the scheduled mandatory furlough days. Employees working in a mandatory furlough-ineligible position are not required to make up mandatory furlough days. These positions are identified taking into account public safety concerns, areas impacted by a significant staffing shortage, and/or other service delivery considerations.

I. APPLICABILITY

All city officials and most employees will be subject to mandatory furloughs as specified under 350-100 and 350-116 of the Milwaukee Code of Ordinances and Common Council File #090102-Attachment B-

Furlough Operation Details. This document contains a listing of furlough-eligible, furlough-eligible/must report, and furlough-ineligible positions. This listing is subject to change based on new policy direction and business and operational needs.

The implementation of mandatory furloughs across City departments is delineated below:

- 1.1 **CABINET DEPARTMENTS:** will comply with the mandatory furloughs scheduled for July 2, 2009 and September 8, 2009 for most employees. However, some employees staffing key functions will be required to work during the aforementioned days but will be scheduled for two mandatory furlough days as determined by the department head before the end of the fiscal year.
- 1.2 **NON-CABINET DEPARTMENTS:** retain the flexibility of determining when employees will be furloughed. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed mandatory furlough days for furlough-eligible employees. The mandatory furloughs must, however, be implemented in 8-hour increments before the end of the fiscal year. Most non-cabinet departments have indicated that they will comply with the City-wide shut down on July 2, 2009 and September 8, 2009. The Municipal Court has decided to schedule the second mandatory furlough day on Friday, September 4, 2009 to minimize disruption in operations.
- 1.3 **PROTECTIVE SERVICE DEPARTMENTS:** The Chief of Police and Fire Chief shall identify furlough-eligible and furlough-ineligible civilian and sworn personnel to be scheduled for two 8-hour time periods of mandatory furlough in a manner designed to minimize the disruption to department operations, maintain appropriate public safety/law enforcement resources and personnel, and avoid additional overtime or related expenditures.

II. PAY AND SALARY CONSIDERATIONS

- 2.1 Overtime and Compensatory Time
The terms and conditions describing overtime and compensatory time contained in collective bargaining agreements or the Milwaukee Code of Ordinances will continue to apply. Mandatory furloughs will not count as hours worked toward the overtime threshold. For daily overtime, collective bargaining agreements will prevail.
- 2.2 Working Additional Hours to Offset Loss of Pay
Overtime is not permitted for the purpose of making up mandatory furlough time. Making up mandatory furlough days does not achieve the savings expected with the implementation of this initiative.
- 2.3 Salary Anniversary Date/Salary Advancement Date
Will not be changed or adjusted as a result of the mandatory furlough. In determining the completion of each year of service, mandatory furlough time shall be regarded as being regularly at work and shall not count against salary advancement. Absences from work due to mandatory furloughs will not defer salary advancement under Part II, Section 2 of the Salary Ordinance.

III. BENEFIT CONSIDERATIONS

- 3.1 Benefits Service Date
An employee's benefits service date shall not be changed due to mandatory furlough days.

- 3.2 Health and Dental Insurance
Health and dental insurance benefits will be unaffected by the mandatory furloughs.
- 3.3 Health and Dental Insurance Premiums
If an employee's check for a pay period which contains a mandatory furlough day is not sufficient to cover a particular deduction *in its entirety*, the deduction will not be taken from that check, but will be deducted from the following paycheck. For example, limited benefit employees (LBE) pay a monthly premium for health insurance between \$138 and \$350 for single and between \$600 and \$817 for family health insurance coverage. If a LBE employee's net check for either mandatory furlough period is not large enough to cover the entire deduction and no deduction is taken that payroll period, the deduction will be taken from their next payroll check.
- 3.4 Holiday Pay
Employees on mandatory furlough shall be regarded as being regularly at work for purposes of Holiday Pay eligibility.
- 3.5 Life Insurance
Because the life insurance benefit amount is determined by base salary rates, and not actual wages paid, mandatory furloughs will not change the amount of the benefit. For determining group life insurance eligibility, mandatory furlough time shall be considered as time of active service on the payroll.
- 3.6 Long-Term Disability
Long-term disability benefits are based on the earnings in effect on an employee's last full day of work and are defined as the employee's average monthly rate of earnings during the preceding 12 calendar months or during the employee's period of employment of less than 12 calendar months. Mandatory furloughs will have no effect on the amount of a long-term disability benefit.
- 3.7 Retirement Benefits
The City is pursuing a change to Rule XV-A-2 to have mandatory furlough time not reduce a member's service credit. The City has also introduced an amendment to the Charter Ordinance that will ensure that mandatory furlough time will not affect a member's final average salary.
- 3.8 Recall/Call-in Pay
Recall/Call-in Pay will be administered in accordance with applicable labor agreements.
- 3.9 Recall Allowance (Fire Department)
An employee who separates from active service during a calendar year on account of voluntary resignation or normal service retirement shall receive recall pay prorated on the basis of active service during such calendar year, computed to the nearest month. In calculating the recall allowance, mandatory furlough time shall be considered as time of active service.
- 3.10 Sick Leave Accrual
An employee's eligibility to accrue sick leave will not be affected by the implementation of the mandatory furloughs.
- 3.11 Sick Leave Incentive
An employee's eligibility for a sick leave incentive control day or pay will not be affected by the implementation of mandatory furloughs.

- 3.12 Sick Leave Pay
Employees may not substitute paid sick leave for mandatory furlough days. Mandatory furlough days are not paid regardless of whether the benefits-eligible employee was on sick leave the day before, the day after, or on both sides of the mandatory furlough day. However, sick leave that is being used for absences related to a Worker's Compensation injury where the employee is still in a healing period will be provided by the City as paid leave for mandatory furlough days, but the employee will be required to observe alternate mandatory furlough day(s) upon return to service.
- 3.13 Travel and Training
Employees directed to attend a training or other educational meeting or program on a mandatory furlough day will be permitted to attend and will be paid for the hours attended. The balance of the furlough hours due will be scheduled in a manner determined by the department head.
- 3.14 Tuition Benefit
All courses for which tuition benefit has been approved during a mandatory furlough day must be attended on the employee's own time.
- 3.15 Unemployment Insurance
Eligibility for unemployment insurance benefits is determined by the state's Unemployment Compensation Division. In general, under the State of Wisconsin Unemployment Compensation Act (Wisconsin State Statute §§108.05(3)), partial unemployment benefits are sometimes payable to employees during periods of time when their hours are reduced. The partial unemployment compensation benefit associated with an eight-hour furlough is zero for employees whose annualized base period wages fall somewhere between \$35,000 and \$40,000, and remains zero for all employees making more than that amount.
- 3.16 Uniform and Clothing Allowance
Time spent on mandatory furloughs will not count against an employee's eligibility for uniform and clothing allowance.
- 3.17 Vacation
In calculating vacation eligibility and accrual, mandatory furlough time shall be considered as time of active service. Vacation days may not be substituted for furlough days except as otherwise provided for in MOU's between the City and its labor unions.
- 3.18 Variable Shift Assignment Pay (Police Department)
In determining whether an employee is covered by this section for any given month the time of mandatory furlough shall be considered as time of active service.
- 3.19 Worker's Compensation/Injury Pay/Sick Leave in lieu of Injury Pay
Under Wisconsin's Worker's Compensation Law, the City must pay temporary disability benefits for the period of time during which an employee is within the healing period for a work-related injury and sustains an actual wage loss. By ordinance, the City pays injury pay "in lieu of" temporary disability benefits payable under Worker's Compensation. The City is required to pay temporary disability benefits or injury pay benefits for specified mandatory furlough days if the employee is entitled to temporary disability benefits under the Worker's Compensation Act. Also, in situations where the employee has exhausted injury pay benefits, the employee will be allowed to use paid sick leave for specified mandatory furlough days that occur during the employee's healing period. These employees will be required to observe alternate mandatory furlough day(s) when they return to service.

IV. HOURS OF WORK /ALTERNATIVE WORK SCHEDULE CONSIDERATIONS

4.1 Alternative Work Schedules (AWS)

Individuals working an alternative workweek whose schedule calls for reduced hours on a normally scheduled, mandatory furlough day, have the same mandatory furlough requirements as all other employees. Non-represented employees may revert back to a regular 5-day, 8 hrs/day work week for the week involving a mandatory furlough. Represented employees will comply with mandatory furlough requirements in accordance with provisions of labor contracts or applicable MOU's. Employees working an alternative work schedule who have a normal day off on a scheduled furlough day must observe an alternative mandatory furlough day.

4.2 Part-time Employment

Part-time employees will observe the mandatory furlough time on a prorated basis according to their Full Time Equivalent (FTE) status.

Part-time employees scheduled to work 8 hours on a mandatory furlough day: The employee will be furloughed the number of hours equivalent to their FTE status. The balance of hours that would have been scheduled on that day can be made up at a later time to be scheduled at the department's discretion before the end of the fiscal year.

Part-time employees NOT scheduled to work on a mandatory furlough day: The employee will observe a furlough day on an alternate date. The number of hours furloughed will be the equivalent to their full time FTE hours. This mandatory furlough date will be scheduled at the department's discretion before the end of the fiscal year.

4.3 Flexible Schedule-Employees in the Management Pay Plan

Employees excluded from the provision of s. 350-5 of the Milwaukee Code of Ordinances (Exclusion from Overtime) in salary grades 004 and above may, upon department head approval, work on a flexible schedule, so that the daily work schedule may be adjusted from time to time as necessary and appropriate to fulfill assigned duties and responsibilities. Such adjustments may include starting and quitting times that are earlier or later than established in the normal work schedule of the department, and may include more or less than eight hours in any particular day and more or less than forty hours in any particular week unless subject to the conditions of a mandatory furlough. Employees in positions regularly excluded from overtime may be temporarily limited to working 8 hours per day during the week of a mandatory furlough unless specifically authorized by the Department Head.

V. ADMINISTRATION OF LEAVE BENEFITS

General Rule: Employees may not use paid leave during mandatory furlough periods, except as allowed under applicable MOUs between the City and labor unions.

5.1 FMLA

Mandatory furlough days do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Mandatory furlough days do not impact an employee's benefits or job assignment, therefore, employees on FMLA, with paid substitution, will observe the mandatory furlough days during their FMLA leave. However, employees may be able to extend their FMLA leave by the number of mandatory furlough days they are required to take during their FMLA leave.

Whether an employee's FMLA leave would be extended is dependent on the individual employee's specific circumstances. Therefore, it is recommended that should this situation occur; please contact the City Attorney's Office with questions.

Mandatory furlough days are considered to be regular days off and should not be counted when calculating leave eligibility. For example, when calculating whether the employee worked 1,250 hours in the previous 12 months under FMLA, mandatory furlough days are not counted as earned hours or days worked. In contrast, when calculating whether the employee has been employed by the City for at least 12 months, a week in which a mandatory furlough occurs would be counted as one week of service.

5.2 Funeral leave

Employees eligible for funeral leave during a mandatory furlough day will follow the provisions as set forth in Chapter 350, Subsection 4, "Leaves of Absence" of the City of Milwaukee Code of Ordinances. Employees taking Funeral Leave that falls on a mandatory furlough day will be required to take the mandatory furlough day at a later date to be scheduled in a manner determined by the department head in increments of 8 hours.

5.3 Jury Duty/Court Subpoena

If an employee is called to Jury Duty on a mandatory furlough day, the employee will not be paid by the City of Milwaukee for that day. Since the mandatory furlough day is considered an unpaid day, the employee will be allowed to accept the jury duty pay provided by the court during any designated mandatory furlough day. In addition, employees who are under a subpoena to appear in court during a mandatory furlough day will be allowed to keep compensation received for appearing, but will not receive City pay for that day.

5.4 Military Leave of Absence

Leaves of Absence for Military Training and Civil Disturbances (Short Term Military Leave) – Employees who are on a short term military leave for training or civil disturbance during a mandatory furlough day or period will receive compensation in accordance with Chapter 350-36 and applicable labor contracts. The employee will be required to take a delayed, mandatory furlough day upon return from short term military leave to be approved in a manner determined by the department head.

Military Leave of Absence (Long Term Military Leave) – Employees who are on a long term military leave during a mandatory furlough day or period will not be required to take a delayed, mandatory furlough day upon return from military leave.

5.5 Military Funerals

Employees who are eligible to take a leave of absence to attend military funerals will be compensated in accordance with Chapter 350-36 and applicable labor contracts if they take a leave of absence on a mandatory furlough day to attend a military funeral. Such employees will be required to take a delayed, mandatory furlough day to be approved in a manner determined by the department head.

5.6 Military Induction Examinations

Employees who are required to take military induction examinations during a mandatory furlough day will be paid in accordance with Chapter 350-36 and applicable labor contracts. Such employees will be required to take a delayed, mandatory furlough day to be approved in a manner determined by the department head.

5.7 Leave accrual dates

A mandatory furlough does not impact leave accrual dates.

5.8 Return from authorized Layoff or Leave

The intent to not reduce the pay rate or range of any officer or employee or of any officer or employee returning to City service from a duly authorized layoff or leave of absence is subject to the terms of a mandatory furlough.

5.9 Unpaid Leave of Absence

If an employee is already in an unpaid leave status at the time they are designated for mandatory furlough, they will not have to take an alternative mandatory furlough date unless the furlough action is extended beyond their return date.

VI. RECORDKEEPING AND PAYROLL CONSIDERATIONS

6.1 FLSA Requirements

Accurate time records must be kept for FLSA non-exempt employees during any week in which such employees receive a mandatory furlough day. During any week in which an employee who would otherwise be exempt from the overtime provisions of the FLSA receives a mandatory furlough day, the employee is deemed under FLSA regulations to lose his or her exempt status and would, therefore, be entitled to overtime if he or she works more than 40 hours in the week. Under the FLSA, an accurate record must be kept for all hours worked in a work week by all FLSA non-exempt employees. Accordingly, such records must be kept for otherwise exempt employees during any work week in which they receive a mandatory furlough day. The records to be kept for such employees, and all other non-exempt employees as well, during weeks in which they receive a mandatory furlough day are described below.

Records-keeping for all employees during work weeks in which they receive a mandatory furlough day. Record-keeping requirements for employees during work weeks in which a mandatory furlough day is taken differ slightly from the requirements during non-furlough weeks. During a work week in which a mandatory furlough is taken, each employee's time must be entered on the City's time-entry system under pay code 077; hours spent during that week on mandatory furlough must be recorded on the time-entry system under the pay code FRL. In addition, during any week in which an employee receives a mandatory furlough day, the employee must also record all time (paid and unpaid) for the week on a paper time reporting form, which will be made available to payroll clerks and on the MINT.

6.2 Record Retention Requirements

All time records for otherwise exempt employees during mandatory furlough weeks should be retained by payroll personnel for at least three years.

VII. GENERAL CONSIDERATIONS

7.1 Administrative hearings- employees scheduled to attend administrative hearings will be compensated for their time but will be subject to a delayed mandatory furlough to be scheduled in a manner determined by the department head.

7.2 Disciplinary Suspensions

Employees may not count unpaid suspensions imposed for disciplinary reasons as a mandatory furlough day.

7.3 Emergency Procedures

In those cases where an emergency call out occurs on a mandatory furlough day or during a mandatory furlough week, employees may be called back to work. Such employees are compensated in accordance with standard compensation procedures and applicable collective bargaining agreements.

7.4 Employees On Call or On Standby Who are Called Back to Work – Represented

Employees who are represented by a union, and who are on call or stand-by will be compensated in accordance with applicable labor agreements if they are called back to work on the day of a mandatory furlough.

7.5 Non-Scheduled Call Back

Employees in a Furlough-eligible position may be called back to work on a designated mandatory furlough day even though they were not on call or on standby and did not necessarily expect to be called back to work.

Represented employees – If, due to an emergency, a represented employee in a furlough-eligible or furlough eligible/direct report position is called back to work on a designated mandatory furlough day, the terms and conditions of the applicable collective bargaining agreements will be followed with respect to pay. The employee will not be subject to delayed, mandatory furlough time.

Non-represented employees– If, due to an emergency, a non-represented employee in a furlough-eligible or furlough eligible/must report position is called back to work on a designated mandatory furlough day, the employee will be paid for actual hours worked and will not be subject to delayed, mandatory furlough time.

7.6 Probationary period

With the implementation of mandatory furloughs, probationary periods will not change.

7.7 Seniority Date

Mandatory furloughs do not constitute a break in service; therefore, there will be no adjustment to an employee's seniority date.

7.8 Volunteer work – mandatory furloughed employees may not volunteer to do what the City otherwise pays employees to do.

INDEX

Administrative Hearings	10
Alternative Work Schedules (AWS).....	8
Benefits Service Date.....	5
Cabinet Departments.....	5
Disciplinary Suspensions	10
Emergency Procedures.....	11
Employees on Call or on Standby who are Called Back to Work – Represented.....	11
Flexible Schedule-Employees in the Management Pay Plan.....	8
FLSA Requirements.....	10
FMLA	8
Funeral Leave.....	9
Health and Dental Insurance	6
Health and Dental Insurance Premiums	6
Holiday Pay.....	6
Jury Duty/Court Subpoena.....	9
Leave Accrual Dates	10
Life Insurance	6
Long-Term Disability	6
Military Funerals.....	9
Military Induction Examinations	9
Military Leave of Absence.....	9
Non-Cabinet Departments	5
Non-Scheduled Call Back.....	11
Overtime and Compensatory Time	5
Part-time Employment	8
Probationary Period	11
Protective Service Departments	5
Recall Allowance (Fire Department)	6
Recall/Call-In Pay	6
Record Retention Requirements	10
Retirement Benefits	6
Return from Authorized Layoff or Leave	10
Salary Anniversary Date/Salary Advancement Date	5
Seniority Date	11
Sick Leave Accrual.....	6
Sick Leave Incentive.....	6
Sick Leave Pay.....	7
Travel and Training.....	7
Tuition Benefit	7
Unemployment Insurance	7
Uniform and Clothing Allowance.....	7
Unpaid Leave of Absence	10
Vacation	7
Variable Shift Assignment Pay (Police Department).....	7
Volunteer Work	11
Worker’s Compensation/Injury Pay/Sick Leave in Lieu of Injury Pay	7
Working Additional Hours to Offset Loss of Pay.....	5



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090044

File ID: 090044 **Type:** Resolution **Status:** In Committee

Version: 1 **Reference:** **Controlling Body:** FINANCE & PERSONNEL COMMITTEE

Requester: BUDGET AND MANAGEMENT ANALYSIS DIVISION **Cost:** **File Created:** 05/05/2009

File Name: **Final Action:**

Title: Substitute resolution amending the 2009 Snow and Ice Removal Cost Recovery Charge.

Notes:

Code Sections:

Indexes: BUDGET, SNOW REMOVAL

Sponsors: THE CHAIR

Attachments: Cover Letter ,Fiscal note ,Hearing Notice List

Drafter: mn

Contact:

Agenda Date:

Agenda Number:

Enactment Date:

Enactment Number:

Effective Date:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	05/05/2009	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE			
	Action Text:	This Resolution was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE					
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		

0 FINANCE & 06/15/2009
PERSONNEL
COMMITTEE
0 COMMON COUNCIL 06/16/2009

Text of Legislative File 090044

..Number

090044

..Version

SUBSTITUTE 1

..Reference

080779

..Sponsor

THE CHAIR

..Title

Substitute resolution amending the 2009 Snow and Ice Removal Cost Recovery Charge.

..Analysis

This resolution amends the 2009 Snow and Ice Removal Cost Recovery Charge in accordance with s. 309-83 of the Milwaukee Code. The amended 2009 charge is \$0.7411 per foot of street frontage, up \$0.2128 from the 2009 initially adopted charge of \$0.5283.

..Body

Whereas, Section 309-83 of the Milwaukee Code of Ordinances established a Snow and Ice Removal Cost Recovery Charge as authorized by s. 66.0627, Wis. Stats.; and

Whereas, Section 309-83 of the Milwaukee Code requires adoption of a resolution on an annual basis that establishes the Snow and Ice Removal Cost Recovery Charge, and allows the charge to be amended no more than once annually on the basis of cost recovery experience; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the 2009 annual Snow and Ice Removal Cost Recovery Charge is amended in accordance with s. 309-83 of the code, to be billed on a yearly basis:

1. Residential property - \$0.7411 per foot of street frontage. For residential property (one, 2-, 3-, and 4-family dwelling units) with multiple street frontage (corner lots), the shortest side shall be used for billing purposes.
2. Nonresidential property - \$0.7411 per foot of total street frontage.

..Requestor

.. Budget and Management Division

Ref: BF10-3C DY:

April 28, 2009

FINANCE: amend 2009 snow&iceR.RTF

..Drafter

LRB09238-1

BJZ:lp

06/2/2009

Reply to Common Council File No. 090044
From DOA-Budget and Management Division

June 12, 2009


Ref: 09010

Common Council File 090044 contains a resolution amending the 2009 snow and ice control fee. The current charge of \$0.5283 is recommended to increase to \$0.7411. The average single family property owner will experience an increase of \$9.15 in their bill.

Average snow and ice removal costs have risen to near \$7.1 million annually. There is \$5.0 million provided in the 2009 budget for snow and ice removal costs. The proposed fee increase will generate an additional \$2.0 million which will provide total funding near the average level.

If it turns out that this year experience is less than average snow and ice removal costs, the excess revenue will be used to retire the debt that was issued to cover the 2008 shortfall. That shortfall was caused by higher than normal snowfall.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION
090044 THAT AMENDS THE 2009 SNOW AND ICE CONTROL FEE.**



Dennis A. Yaccarino
Budget and Policy Manager-Senior

DY:cei

FINANCE: 090044sr.doc

LRB RESEARCH AND ANALYSIS

JUNE 15, 2009

ITEM 4, FILE 090044

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File # 090044 is a substitute resolution amending the 2009 Snow and Ice Removal Charge.

Background

1. On November 9, 2007 the Common Council established the 2008 Local Snow and Ice Removal Charge at \$0.4811 per foot of street frontage (File#070859). The 2008 estimated revenue for the charge is \$4.3 million. On September 12, 2008, the Common Council amended the rate from 0.4811 per foot of property frontage to \$0.6522 per foot (File #080483). The increase in the charge generated an additional \$1.8 million charge in 2008 revenues, for a total of \$6.3 million. The amended charge increased the impact on the owner of a property with 40 feet of frontage approximately \$6.85, from \$19.24 to \$26.09.
2. On November 7, 2008 the Common Council established the 2009 Local Snow and Ice Removal Charge at \$0.5283 per foot of street frontage (File#080779). The 2009 estimated revenue for the charge is \$4,965,204. The impact of the current charge on the owner of a property with 40 feet of frontage is approximately \$21.13.
3. The table below shows the snow and ice control budgets and expenditures for 1998 through June 10, 2009.

Year	Funding	
	Budget	Actual
1998	6,011,324	4,149,443
1999	6,562,888	8,681,087
2000	6,423,219	10,727,038
2001	7,267,392	4,688,380
2002	7,731,934	3,682,140
2003	7,388,234	3,589,675
2004	5,990,847	4,649,565
2005	4,473,956	7,575,532
2006	4,923,626	3,873,753
2007	4,885,314	10,841,668
2008*	4,918,942	\$15,783,927
2009 to date	4,777,000	\$4,030,305

*2008 actuals include \$1,088,559 in costs charged to FEMA grant

Discussion

This resolution increases the 2009 Snow and Ice Control Fee from its current rate of \$0.5283 per foot of property frontage to \$0.7411 per foot of property frontage.

Fiscal Impact

This resolution establishes the 2009 Snow and Ice Control Fee at \$0.7411 per foot of property frontage. It is estimated the fee will generate \$6.9 million. The impact of the amended charge on the owner of a property with 40 feet of frontage is approximately \$29.64 or \$3.55 more than the impact of the 2008 amended charge of \$26.09.

Cc:	Marianne Walsh Mike Daun W. Martin Morics Mark Nicolini
-----	--

Prepared by: Jim Carroll, X8679 LRB Research & Analysis June 12, 2009
--

April 28, 2009

Ref: BF10-3C

Common Council
City of Milwaukee

Subject: Introduction of Title Only Resolutions

Dear Honorable Members:

We are submitting the attached resolutions for introduction at the May 5, 2009 Common Council meeting. We are requesting the following files to be introduced by title at this time and will provide the detailed resolution and fiscal note for this purpose at a later date.

1. Communication from the Budget and Management Division Regarding the City's Fiscal Condition. This communication will summarize the city's current fiscal condition as it will affect the next three city budgets, and will outline some options that the city may consider to address its structural budget imbalance. We have discussed this with Council leadership and understand that it will be referred to the Steering and Rules Committee.
2. Resolution Approving a 2009 Budget Management Plan. This resolution will include actions, many already initiated, which are intended to improve the city's ongoing structural budget condition. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.
3. Resolution Amending the 2009 Local Snow and Ice Removal Charge in Accordance with Sub-Section 2(a) and (b) of Section 309-83 of the Milwaukee Code of Ordinances. As part of the 2009 Budget Management Plan, the Administration recommends modifying the 2009 charge to reflect recent expenditure trends to enable full cost recovery of 2009 snow and ice control operations. We have discussed this with Council leadership and understand that it will be referred to the Finance and Personnel Committee.

Respectfully submitted,

Mark Nicolini
Budget and Management Director

MN:dmr
Attachments
Common/finance/resolutions/titleonlyletter3resolutions

CITY OF MILWAUKEE FISCAL NOTE

A) DATE June 11, 2009

FILE NUMBER: 090044

Original Fiscal Note Substitute

SUBJECT: Resolution amending the 2009 Local Snow and Ice Removal Charge.

B) SUBMITTED BY (Name/title/dept./ext.): Dennis Yaccarino, Budget & Policy Manager-Sr., DOA BMD x8552

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY) revenue

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	Snow & Ice Removal Fee			2,000,000	
TOTALS				2,000,000	

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090102

File ID: 090102 **Type:** Ordinance **Status:** In Committee

Version: 1 **Reference:** **Controlling Body:** FINANCE & PERSONNEL COMMITTEE

Requester: DEPARTMENT OF EMPLOYE RELATIONS **Cost:** **File Created:** 05/15/2009

File Name: **Final Action:**

Title: A substitute ordinance relating to implementation of mandatory furloughs.

Notes:

Code Sections:

Indexes: BUDGET

Sponsors: THE CHAIR

Attachments: 5-12-09 City Attorney's opinion on furloughs ,10-28-08 City Attorney's opinion on proposed budget amendment ,Cover from Dept of Employee Relations ,Fiscal note ,Exhibit B Furlough Operational Details ,Dept of Employee Relations Mandatory Furlough Policy and Administrative Guidelines ,Mandatory furlough salary ordinance changes ,Hearing Notice List

Drafter: mm

Contact:

Agenda Date:

Agenda Number:

Enactment Date:

Enactment Number:

Effective Date:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:	
0	COMMON COUNCIL	05/15/2009	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE				
	Action Text:	This Ordinance was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE						
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009			
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009			
1	CITY CLERK	06/11/2009	DRAFT SUBMITTED					
	Action Text:	This Ordinance was DRAFT SUBMITTED						

0 FINANCE & 06/15/2009
PERSONNEL
COMMITTEE
0 COMMON COUNCIL 06/16/2009

Text of Legislative File 090102

..Number

090102

..Version

SUBSTITUTE 1

..Reference

..Sponsor

THE CHAIR

..Title

A substitute ordinance relating to implementation of mandatory furloughs.

..Sections

350-25-3-c cr

350-35-3-a am

350-35-3.5 am

350-35-5-a am

350-35-5-c-3 am

350-36-2-a-6 am

350-36-3 am

350-36-4 am

350-37-0 am

350-37-5 am

350-37-8-a-1 am

350-37-12-b-2 am

350-37-12-c-3-a am

350-37-12-d-2 am

350-37-13-b-2 am

350-40-1-a am

350-90-5 am

350-100 m

350-100-2 cr

350-116 cr

350-132-5-c am

350-133-3-b-2 am

350-145-5-a am

350-150-3-b am

350-151-3-a am

350-152-3-a am

350-181-11 cr

..Analysis

This ordinance authorizes the common council to impose mandatory furlough time for city officials and employes by common council resolution. The department of employe relations shall issue furlough policy guidelines for city departments as necessary to administer the implementation of mandatory furlough programs.

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 350-25-3-c of the code is created to read:

325-25. Group Life Insurance.

3. Eligibility.

c. For determining group life insurance eligibility, mandatory furlough time shall be considered as time of active service on the payroll.

Part 2. Section 350-35-3-a of the code is amended to read:

350-35. Leave of Absence Policies.

3. TIME OFF FOR JURY DUTY.

a. City Employees; Nonrepresented and Management. Employees except those employees covered by pars. b and c shall be granted time off with pay for reporting for jury duty or jury service upon presentation of satisfactory evidence relating to this duty or service. Employees shall retain all compensation received for jury duty service, but shall have deducted from their city pay an amount equal to the compensation received by them for jury duty, exclusive of travel pay and pay for jury duty performed on off-duty days. No greater amount of time shall be granted than necessary, and in any case, where an employe is called for jury duty and reports therefore without receiving a jury assignment for that day, or in any case where such employe is engaged in jury duty or service for a part of a day, he or she shall if his city work is available to him or her report for the performance of city duties for the remainder of the day. >>If such jury duty coincides with any mandatory furlough dates, the employe shall not be paid salary from the city on those dates, but shall be allowed to retain jury duty compensation.<<

Part 3. Section 350-35-3.5 of the code is amended to read:

350-35. Leave of Absence Policies.

3.5. TIME OFF FOR COURT SUBPOENAS. Nonmanagement nonrepresented employes shall be granted time off with pay, upon presentation of satisfactory evidence relating to this duty, under a subpoena to appear in court during working hours with respect to any incident which occurred while the employes were at work. Compensation received (exclusive of travel pay) for this duty shall be immediately paid over to the city treasurer and shall be credited to the general fund; provided, however, that payment for the duty may be retained by employes for appearances made on off-duty hours. >>If such court subpoena appearances coincide with any mandatory furlough dates, the employe shall not be paid salary from the city on those dates, but shall be allowed to retain court subpoena appearance compensation.<<

Part 4. Section 350-35-5-a of the code is amended to read:

350-35. Leave of Absence Policies.

5. FUNERAL LEAVE. a. Immediate Family. Except for those positions listed in par. c, funeral leave shall cover necessary absence from duty of general city employes because of death in the immediate family of the employe. "Immediate family" is defined as husband or wife, child, stepchild, brother, sister, parent, stepparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, or grand-child of the employe. Also effective January 2, 2005 for management, and nonmanagement, nonrepresented employes, "brother-in-law" and "sister-in-law" includes a spouse's sibling's spouse. For management and nonmanagement, nonrepresented employes, "immediate family" also includes stepparents and stepchildren by virtue of the employe's current spouse. Furthermore, eligibility to use stepparent funeral

leave benefits shall be limited to one stepmother and one stepfather regardless of the number of stepparents. Effective January 1, 2002, for management and nonmanagement, nonrepresented employes, "immediate family" shall include an employe's domestic partner, if the domestic partnership is registered with the city clerk as provided in s. 111-3. In the case of a death in the immediate family, an employe may be granted a leave of absence not to exceed 3 work days with pay. These work days shall be limited to work days falling within the 10 consecutive calendar day period that begins on the day of death. One day with pay may be used to attend the funeral of grandparents of the employe. >>If funeral leave coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the department head.<< The provisions of this subsection do not govern fire and police department positions, employes holding positions represented by a certified bargaining unit, except those positions included in s. 350-237.

Part 5. Section 350-35-5-c-3 of the code is amended to read:

5. FUNERAL LEAVE.

c. Funeral Leave for Certain Unrepresented Noncivilian Fire Department Management Employees.

c-3. Benefits. An eligible employe covered by this paragraph shall be granted funeral leave with pay because of death in his or her immediate family for the time period beginning with the time of death and including the day of the funeral. The maximum amount of funeral leave with pay for each instance of death in the immediate family shall be 2 work days for an employe whose normal hours of work exceed 40 hours per week, and 3 work days for an employe whose normal hours of work average 40 hours per week. >>If funeral leave coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the fire chief.<<

Part 6. Section 350-36-2-a-6 of the code is amended to read:

350-36. Military Leave.

2. LEAVES FOR MILITARY TRAINING AND CIVIL DISTURBANCES.

a. Leaves of Absence.

a-6. Compensation for said leave or leaves shall be in accordance with the provisions of par. b. >>If such leave or leaves coincide with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the department head.<<

Part 7. Section 350-36-3 of the code is amended to read:

3. LEAVES FOR MILITARY FUNERALS. Officers and employes of the city of Milwaukee shall be allowed to attend military funerals of veterans without loss of pay when a request for leave is made by a proper veterans organization that the services of such officer or employe is desired for the proper conduct of a military funeral. >>If such leave for a military funeral coincides with any mandatory unpaid furlough dates, the mandatory furlough time shall be rescheduled as approved by the department head.<<

Part 8. Section 350-36-4 of the code is amended to read:

4. PAY DURING TIME OFF FOR INDUCTION EXAMINATION. All officers and employes of the city of Milwaukee shall be paid for time lost while taking physical or mental examination for the purpose of determining eligibility for induction or service in the armed forces of the United States. >>If such time off coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the department head.<<

Part 9. Section 350-37-0 of the code is amended to read:

350-37. Sick and Disability Leave. Sick and disability leave shall cover necessary absence from duty of an employe because of personal illness or pregnancy related disability, bodily injury or exclusion from employment because of exposure to contagious disease of the employe. In addition, an employe may request the substitution of sick leave for family leave under the state family and medical leave act, s. 103.10, Wis. Stats. >>Employes may not use sick and disability leave for furlough days. Employes may accrue time for sick and disability leave purposes while serving mandatory furlough time.<<

Part 10. Section 350-37-5 of the code is amended to read:

5. CITY CONTRACT EMPLOYER. Service for an employer holding a city contract shall not be recognized as qualifying for sick and disability leave or as adding to a sick and disability leave accumulation even though the person so serving may have his name included on a city payroll. Any length of time during which an employe is on layoff, suspension, >>mandatory furlough<< or leave of absence, and any length of time not recognized by the annuity and pension board as accumulative of pension credit when the employe in question is a member of the annuity and pension system shall not be recognized as qualifying for sick and disability leave or as adding to a sick and disability leave accumulation.

Part 11. Section 350-37-8-a-1 of the code is amended to read:

8. INJURY PAY. a-1. When an employe sustains an injury while within the scope of employment, as provided by ch. 102, Wis. Stats., the employe, except for a management employe or an employe in a collective bargaining unit represented by Local 75, Journeymen Plumbers' and Gasfitters' Union, AFL-CIO, shall receive 80% of full salary described herein as injury pay in lieu of worker's compensation for the period of time the employe may be temporarily, totally or temporarily partially disabled because of said injury, not to exceed a total of one calendar year. Under the same conditions as stated in this subsection, a management employe or an employe in a collective bargaining unit represented by Local 75, Journeymen Plumbers' and Gasfitters' Union, AFL-CIO shall receive 70% of full salary. In no case shall an employe receive injury pay for more than one year (250 working days) during his or her period of employment with the city of Milwaukee regardless of the number of compensable injuries involved. >>If such time off coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled upon return to service, as approved by the department head.<<

Part 12. Section 350-37-12-b-2 of the code is amended to read:

12. POLICE DEPARTMENT SICK AND DISABILITY PAY.

b. Sick Leave.

b-2. Eligibility for sick leave with pay shall begin as soon after regular appointment as any sick leave credit has been earned. >>Employes may accrue time for sick and disability leave purposes while serving mandatory furlough time.<<

Part 13. Section 350-37-12-c-3-a of the code is amended to read:

c. Attendance Incentive Program for Nonrepresented, Noncivilian Police Department Management Employes.

c-3-a. During the full term of the trimester, the employe did not use any paid sick leave, was not on an unpaid leave of absence, was not absent without leave, was not tardy, was not suspended from duty for disciplinary reasons and did not take any unpaid time off the payroll >>,exclusive of any mandatory furlough time<<.

Part 14. Section 350-37-12-d-2 of the code is amended to read:

d. Funeral Leave.

d-2. Employees shall be granted leave of absence not to exceed 3 days with pay, in case of death of a wife, husband, child, father, mother, sister or brother, and not more than one day with pay in case of death of mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandchild or employee's grandparents. Employees entitled to the death-in-family benefits shall be allowed up to one day with pay of travel time if the site of the funeral is outside of the "no travel time zone" described on the map attached to common council File #83-993. In order to become eligible for travel time, employees must submit satisfactory evidence to the police department administration indicating that they attended the funeral and that the site of the funeral was outside of the "no travel time zone." An employee eligible for the leave with pay provided under this subdivision may only use that leave during the 10 consecutive calendar day period immediately following the date of the death that occasioned the employee's request for the leave. >>If such time off coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the police department administration.<<

Part 15. Section 350-37-13-b-2 of the code is amended to read:

13. FIRE DEPARTMENT EMPLOYEES.

b. Sick Leave.

b-2. Eligibility for sick leave with pay for employees newly appointed to city employment on or after March 1, 1985, shall begin after completion of 6 months' active service in the fire department, but sick leave credit shall be earned from date of appointment. For employees appointed to city employment prior to that date, eligibility for sick leave shall begin as soon after regular appointment as any sick leave credit has been earned. >>Employees may not use sick leave for mandatory furlough time, regardless of whether the benefits-eligible employee was on sick leave the day before the mandatory furlough day, the day after the mandatory furlough day, or on both sides of the mandatory furlough day. Employees may accrue time for sick and disability leave purposes while serving mandatory furlough time.<<

Part 16. Section 350-40-1-a of the code is amended to read:

350-40. Vacations.

1. DEFINITIONS. a. Active service means the time spent as an employee on the city of Milwaukee payroll in a position qualifying for fringe benefits. In order for this time spent to count as active service for vacation purposes, such time, together with any authorized unpaid leaves of absence >>and mandatory furlough time<<, must be continuous from the date of appointment. Active service shall also include the time an employee taking a military leave would have spent on the city of Milwaukee payroll in a position qualifying for fringe benefits if he or she had not taken a military leave.

Part 17. Section 350-90-5 of the code is amended to read:

350-90. Uniform and Clothing Allowance: General Provisions.

5. MINIMUM DAYS' SERVICE. No payment shall be made for service in a uniformed status for any calendar month in which the employee is on the payroll for less than 14 days >>,exclusive of any mandatory furlough time<<. One full month's allowance shall be granted for service in a uniformed status in any calendar month during which the employee is on the payroll for 14 days or more. In the event of death of an employee of uniformed status, uniform allowance shall be paid for time accrued, if this amounts to 14 days or more for the calendar month.

Part 18. Section 350-100 of the code is renumbered 350-100-1.

Part 19. Section 350-100-2 of the code is created to read:

350-100. Salaries of Mayor and Members of the Common Council.

2. The mayor and common council members shall be subject to mandatory furloughs as may be imposed by common council resolution under s. 350-116.

Part 20. Section 350-116 of the code is created to read:

350-116. Mandatory Unpaid Furloughs.

1. APPROVAL BY COMMON COUNCIL RESOLUTION. The common council may by resolution impose mandatory furlough time for city officials and employees.

2. POSITIONS AFFECTED. a. Mandatory furloughs shall apply to all city employee positions, regardless of funding source, pursuant to sub. 3.

b. The city attorney, city comptroller, city treasurer and municipal court judges shall be subject to mandatory furloughs.

3. FURLOUGH GUIDELINES. The department of employe relations shall issue furlough policy guidelines for city departments as necessary to administer the implementation of mandatory furlough programs

4. To the extent any provision in the city salary ordinance, the city charter or Milwaukee code of ordinances, including but not limited to sections 36-04-1; 350-25-c-3; 350-35-3-a, 5-a and c-3; 350-36-2-a-6, 3 and 4; 350-37-0, 8-a-1, 12-b-2 and d-2, and 13-b-2; 350-40-1-a; 350-90-5-c; 350-132-5-c; 350-133-3-b-2; 350-145-5-a; 350-150-3-b; 350-151-3-a; 350-152-3-a; and 350-181-11, should address or specify the impact of unpaid furloughs upon the wages, hours, or conditions of employment of represented employees, any such provision, insofar as it shall apply to represented employees, shall be subject to, and its application and effects may be modified or nullified through, impact bargaining with the duly authorized representatives of such employees in accordance with the requirements of the Wisconsin Municipal Employment Relations Act. Approval of the common council is required for any substantive term resulting from furlough-related impact bargaining on behalf of any group of represented employees if the term is inconsistent with and more beneficial than a corresponding furlough-related term specified for the particular group in a provision of the charter or code, and for any substantive term resulting from furlough-related impact bargaining on behalf of any group of represented employees that addresses a new issue involving the impact of furloughs upon wages, hours, or conditions of employment that is not addressed in any manner for the particular group in a provision of the charter or code; however, common council approval is not required for any substantive term resulting from furlough-related impact bargaining on behalf of any group of represented employees if the substantive term is identical or less beneficial to the affected represented employees than corresponding terms that have been approved by the common council for the majority of the city's nonrepresented employees.

Part 21. Section 350-132-5-c of the code is amended to read:

350-132. Certification Pay.

5-c. For purposes of prorating certification pay benefits, an employe on the police department payroll for at least 14 days in a calendar month shall be deemed as having been on the payroll for the full calendar month; in the event the employe is on the payroll less than 14 days in a calendar month, >>exclusive of any mandatory furlough time,<< then the employe shall be deemed as not having been on the payroll at all during the calendar month.

Part 22. Section 350-133-3-b-2 of the code is amended to read:

350-133. Variable Shift Assignment Pay.

3. ADMINISTRATION.

b-2. If the employe is covered by this section and in active service for less than 14 days in a calendar month, >>exclusive of any mandatory furlough time,<< the employe shall be deemed as not

having been covered by this section and in active service at all during the calendar month.

Part 23. Section 350-145-5-a of the code is amended to read:

350-145. Fire Department Holiday Compensation.

5. ADMINISTRATION. a. Earning of Holiday Compensation. All time off that fire department employes are eligible to receive under subs. 2 to 4 shall be taken in the calendar year in which it was earned. Time off shall be earned at a rate of 1/12 of the time off per calendar year for each calendar month during the calendar year the employe was on the fire department payroll. For purposes of interpretation of this provision, an employe on the fire department payroll for at least 14 days in a calendar month shall be deemed as having been on the fire department payroll for the full calendar month. If the employe is on the fire department payroll for less than 14 days in a calendar month, >>exclusive of any mandatory furlough time,<< then the employe shall be deemed as not having been on the payroll at all during such calendar month.

Part 24. Section 350-150-3-b of the code is amended to read:

350-150. Recall Allowance.

3. ADMINISTRATION.

b. An employe who separates from active service during a calendar year on account of voluntary resignation or normal service retirement shall receive recall pay prorated on the basis of active service during such calendar year, computed to the nearest month. For the purpose of prorating, an employe in active service at least 14 days in a calendar month shall be considered to have been in active service for the entire month. An employe in active service less than 14 days in a calendar month >>,exclusive of any mandatory furlough time,<< shall be considered not to have been in active service at all for such calendar month.

Part 25. Section 350-151-3-a of the code is amended to read:

350-151. Fire Department: Special Unit Pay.

3. ADMINISTRATION. a. Payments made under this section shall be paid as soon as practicable after December 31 of the year in which they were earned. Prorata adjustment to the nearest calendar month on the basis of service on the hazardous material response team will be made for an employe who was assigned to the team for less than a full calendar year. For purposes of prorating, an employe assigned to the hazardous material response team for at least 14 days in a calendar month shall be deemed as having been assigned to the team for the full calendar month; in the event the employe is assigned to the team for less than 14 days in a calendar month, >>exclusive of any mandatory furlough time,<< the employe shall be deemed as not having been assigned to the team at all during the calendar month.

Part 26. Section 350-152-3-a of the code is amended to read:

350-152. Fire Department: Special Emergency Medical Technician Pay.

3. ADMINISTRATION. a. Payments made under sub. 2 shall be paid as soon as administratively practicable after December 31 of the year in which they were earned. Prorata adjustment to the nearest calendar month on the basis of time served in emergency medical technician-1 status shall be made for those employes who have held emergency medical technician-1 status for less than 1 calendar year. For purposes of prorating, an employe who has held emergency medical technician-1 status for at least 14 days in a calendar month shall be deemed as having held emergency medical technician-1 status for the full calendar month; in the event an employe has held emergency medical technician-1 status less than 14 days in a calendar month, >>exclusive of any mandatory furlough time,<< the employe shall be deemed as not having held emergency medical technician-1 status at all during the

calendar month.

Part 27. Section 350-181-11 of the code is created to read:

350-181. Authorized Travel Regulations and Procedures.

11. TRAVEL AND TRAINING DURING UNPAID FURLOUGHS. If the authorized, paid travel or training for any city official or employe coincides with any mandatory furlough dates, the mandatory furlough time shall be rescheduled as approved by the department head.

..LRB
APPROVED AS TO FORM

Legislative Reference Bureau
Date:_____

..Attorney
IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney
Date:_____

..Requestor
Dept. of Employee Relations
..Drafter
mcw.lrb
LRB09237-1
06/10/2009



ASSOCIATION OF LAW ENFORCEMENT ALLIED SERVICES PERSONNEL

John Whitman
President

Florian Kurth
Vice President

Lori Resch
Treasurer

Susan McGovern
Secretary

Marianne Kwiatkowski
Trustee

June 8, 2009

Mayor Thomas Barrett
City Hall
200 E Wells Street
Milwaukee, WI 53202

Members of the Common Council
City Hall
200 E Wells Street
Milwaukee, WI 53202

Re: City's suggested employee furloughs/layoffs

Dear Mayor Barrett and Members of the Common Council:

This letter is written on behalf of the Association of Law Enforcement Allied Services Personnel, Local 218 (ALEASP) members and is a follow up to our letter to you dated June 2, 2009.

In our June 2 letter, we raised certain specific issues and questions concerning the City's suggested employee furloughs/layoffs. We are again respectfully requesting that these issues and questions be addressed and that we meet formally or informally with the City and its duly authorized representatives to work towards a mutually agreeable solution to the situation.

In the meantime, as we noted in point number #7 in our June 2 letter, we understand that there apparently are certain statutory, contractual and municipal laws which affect the furloughs/layoffs question, including establishing the procedures which are or might be conditions precedent to any final decision or implementation of any such decision. It is our understanding that these legal procedures and requirements include but are not necessarily limited to Wis. Stats. §62.50 and Milwaukee Ordinance, Chapter 350, Employee Regulations and Benefits, subchapter 10, General Regulations, specifically 350-229 "Rotative Employment System."

Thus far, we have not been able to find or confirm in the proceedings or paperwork anything that reflects compliance with these procedures. Please advise as to where and when these conditions have been met.

Local 218 AFL-CIO – I.U.P.A.
P.O. Box 091035 Milwaukee, WI 53209
Office: (414) 671-6610 Fax: (414) 671-6620

In addition, there is also an issue concerning the effect and impact any furloughs/layoffs will have on pension issues. It is our belief that an answer on this issue is needed from the Pension Board before the City can address the furlough/layoff issues. We wish to discuss this with the City also so that none of our members are adversely impacted in their pension benefits and entitlements.

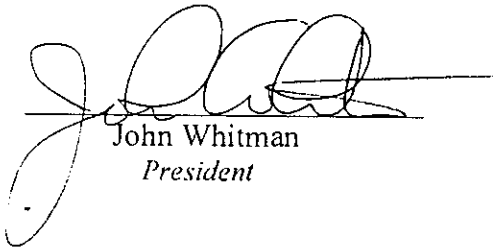
Further, we are requesting from the City its assurance that the issue of furloughs/layoffs will not impact the GPS and are presently looking into whether or not there might be FLSA issues. What is the City's position in this regard?

We wish to emphasize that ALEASP and its members desire to work amicably with the City while at the same time respectfully requesting that the City work amicably with us in addressing these concerns as outline above and the severe, personal economic impacts which our members, your employees, are confronted with. We also wish to remind the City that ALEASP members continue to endure through this economic crisis at 2006 wages in 2009.

Please advise us in writing so that we can discuss this as a board.

Thank you.

Sincerely,



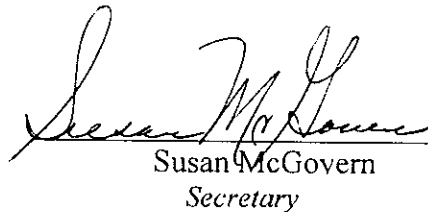
John Whitman
President



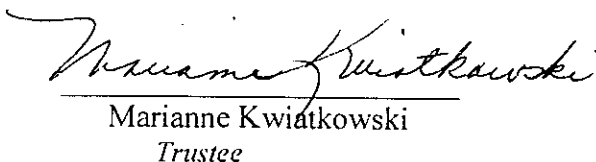
Florian Kurth
Vice President



Lori Resch
Treasurer



Susan McGovern
Secretary



Marianne Kwiatkowski
Trustee



Department of Employee Relations

Tom Barrett
Mayor
Maria Monteagudo
Director
Michael Brady
Employee Benefits Director
Troy M. Hamblin
Labor Negotiator

June 4, 2009

Mr. John Whitman, President
Association of Law Enforcement
Allied Services Personnel
Local #218, AFL-CIO, IUPA
P.O. Box 091035
Milwaukee, WI 53209

RE: Furlough Letter Dated June 2, 2009

Dear Mr. Whitman:

I am responding to your June 4, 2009 letter to Mayor Tom Barrett regarding employee furloughs. In an effort to eliminate many of the objections you raised, the City will make the following offer to the Association of Law Enforcement Allied Services Personnel (ALEASP):

In lieu of two (2) days of furloughs during 2009, all employees represented by ALEASP shall voluntarily take two (2) unpaid vacation days between the execution date of this agreement and December 31, 2009.

Employees represented by ALEASP who have no vacation available for use between the execution date of this agreement and December 31, 2009, shall take two (2) days of voluntary furloughs as directed by management.

John Whitman, President
ALEASP

Date

If you agree to the above conditions, please sign and return a copy of this letter. If you would like to meet to discuss this, please contact me as soon as possible. Absent

Mr. John Whitman, President
Association of Law Enforcement
Allied Services Personnel
Local #218, AFL-CIO, IUPA
June 4, 2009
Page 2

agreement from the union that would provide for an equalized reduction of salary, the City will proceed with furloughs for the vast majority of employees represented by ALEASP.

Sincerely,



Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief
Jeff Mantes, Commissioner

TMH:lk



ASSOCIATION OF LAW ENFORCEMENT ALLIED SERVICES PERSONNEL

John Whitman
President

Florian Kurth
Vice President

Lori Resch
Treasurer

Susan McGovern
Secretary

Marianne Kwiatkowski
Trustee

June 2, 2009

Mayor Thomas Barrett
City Hall
200 E Wells Street
Milwaukee, WI 53202

Members of the Common Council
City Hall
200 E Wells Street
Milwaukee, WI 53202

Re: City's suggested employee furloughs/layoffs

Dear Mayor Barrett and Members of the Common Council:

This letter is written on behalf of the Association of Law Enforcement Allied Services Personnel, Local 218 (ALEASP) members.

At the outset, we wish to advise that our members, your employees, are all too aware of the economic conditions which exist at this time. This is especially true since they generally live paycheck to paycheck and have families to support. Due to the potentially severe, personal impacts which furloughs/layoffs will have on our individual members, we are writing this letter to attempt to bring our concerns and issues to your attention in hopes of minimizing, if not even avoiding, those impacts on our members.

In this regard, we have several concerns:

1. It is our belief that the furloughs/layoffs of ALEASP members will necessitate removing police officers from the street and patrol duties and reassigning them to cover the duties normally performed by our members. Therefore, the question is: what economic benefit would come from this since our members make considerably less than the City's police officers? In essence, the City would end up paying more for those work duties than if it had simply not furloughed/laid off our members.

Local 218 AFL-CIO - I.U.P.A.
P.O. Box 091035 Milwaukee, WI 53209
Office: (414) 671-6610 Fax: (414) 671-6620

2. It is our further belief that our parking checker members generate more revenue for the City than it costs the City to pay those parking checkers for performing their duties. Question: what fiscal benefit would there be in furloughing/laying off the parking checkers?

In addition, what costs would the City incur in reassigning, for example, police officers to perform parking checker duties? It would appear that such a reassignment of higher paid police officers to do parking checker duties would cost more than the revenue which would be generated. Not assigning personnel to do those parking checker duties would lead to a total loss of the revenue for the City which is normally generated by the parking checkers.

3. It has also come to our attention that the City is anticipating hiring more dispatchers, seasonal telecommunicators, more regular telecommunicators and 6 new Office Assistant I's. If the money, and the need, exists for these additional employees, why would any present dispatchers or telecommunicators be furloughed/laid off? When viewed in light of the additional costs of training such new personnel, what fiscal benefit would the City achieve in such a course of action? Again, it would appear that the economic benefit to the City would result in a larger expenditure of monies rather than simply not furloughing/laying off the present personnel.
4. Another issue which concerns us is that there are police officers who are assigned to limited duty. Many of these officers are not in uniform and are not to be carrying a firearm and are assigned to such duties such as filing documents and doing other types of clerical work which is done by our members; however, these limited duty officers apparently are not to be included in the furlough/layoff proposal. Why? It would appear that the cost to have more highly paid limited duty police officers not be furloughed/laid off, while having them perform the duties of our civilian members would not achieve any economic benefit for the City. How does the City project saving money in that situation?
5. Our labor contract does not provide for furloughs but it does cover layoffs. Layoffs, contractually, are to be by seniority, as more specifically set forth in the ALEASP collectively bargained agreement with the City of Milwaukee. Despite having been asked, the question remains: will our contract be honored and the seniority provisions followed?
6. It is also a concern that the loss of eight (8) hours of pay all at one time would again adversely impact our members. It is suggested that rather than an eight (8) hour loss of pay, perhaps that time could be extended into two (2) different four (4) hour blocks of pay. This would help alleviate the economic reduction of salary or compensation which our members would experience and spread that reduction of salary or compensation over an extended time period of time rather than have it hit our members all at once. Moreover, this may also provide assistance in retaining the benefits utilized by our members.

Additionally, since each person knows their respective financial condition better than someone else, it is also suggested that the employee be given a choice as to when to take required time off to better soften the impact of the reduction of salary or compensation.

7. We understand that there are appropriate legal procedures and requirements which impact and govern furloughs/layoffs. In this regard, we are hopeful that any action taken by the City will duly comply with all of the statutory, contractual and municipal laws, including such preliminary

requirements which are or might be conditions precedent to any final decision or implementation of any such decision.

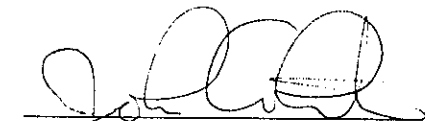
We wish to emphasize that ALEASP and its members desire to work amicably with the City while at the same time respectfully requesting that the City work amicably with us in addressing these concerns as outline above and the severe, personal economic impacts which our members, your employees, are confronted with. We also wish to remind the City that ALEASP members continue to endure through this economic crisis at 2006 wages in 2009.

We are also respectfully requesting to meet formally or informally with the City and its duly authorized representatives to work towards a mutually agreeable solution to the situation.

Please contact us since we are very interested in staying on top of this situation.

Thank you.

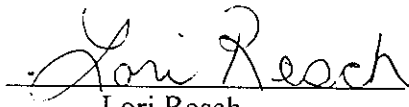
Sincerely,




John Whitman
President



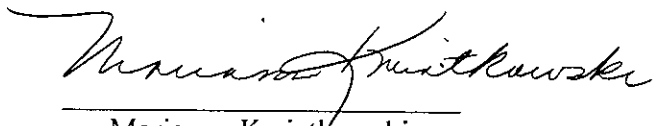
Florian Kurth
Vice President



Lori Resch
Treasurer



Susan McGovern
Secretary



Marianne Kwiatkowski
Trustee



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
5625 West Wisconsin Avenue
Milwaukee, WI 53213

RE: Local #215 Proposal and Furloughs

Dear Mr. Webber:

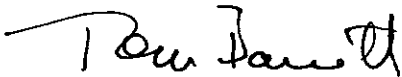
I spoke with Mr. Hamblin regarding your proposal to maintain a minimum staffing level of 250 employees forever in exchange for the employees giving up one paid off day. As I am sure you are aware given the economic challenges that lie ahead for the City of Milwaukee and the uncertainty we face, the City is not able to agree to your proposal. Mr. Hamblin will be providing you with a counter offer that would keep the 5th employee on the ladder trucks through the end of pay period 26 of 2009. If Local #215 agrees to the City's proposal, we will take it to the Common Council for approval. Until then the proposal to eliminate the 5th employee on the ladder trucks will be moved forward to the Common Council.

In the interim, one of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Fire Department will be furloughing all non-represented management employees, including the Chief. In addition, the City will furlough for 16 hours some employees represented by Local #215. The employees who will be furloughed are those who are not involved with front line fire suppression activities. The Chief will decide which employees are to be furloughed.

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
June 5, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Barrett". The signature is fluid and cursive, with a large initial "T" and a stylized "B".

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Douglas Holton, Chief



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

June 8, 2009

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
5625 West Wisconsin Avenue
Milwaukee, WI 53213

RE: City of Milwaukee Counter Proposal to Local #215

Dear Mr. Webber:

On June 4, 2009 you made the following proposal to the City of Milwaukee:

The City of Milwaukee shall maintain a minimum staffing level in the Milwaukee Fire Department of 250 employees forever in exchange for all employees giving up one paid off day.

As I verbally informed you, your proposal was rejected. However, the City of Milwaukee would provide the following counter proposal to the membership of Local #215:

1. All employees agree to take a total of 19.92 hours of unpaid time off prior the end of pay period 26, 2009, which will be scheduled in the following manner:
 - A. All employees agree to take 9.96 hours of their next scheduled paid off day as unpaid time off.
 - B. All employees agree to take 9.96 hours of one scheduled paid off day in September as unpaid time off.
 - C. If an employee does not have a scheduled paid off day in September, then the employee agrees to take 9.96 hours of one of their remaining scheduled paid off days prior to the end of pay period 26, 2009 as unpaid time off.
2. The City of Milwaukee agrees to retain the fifth (5th) employee on ladder trucks that are currently staffed with five (5) employees until the end of pay period 26, 2009.
3. The City of Milwaukee does not commit to any staffing levels beyond the end of pay period 26, 2009.

Mr. Bobbie R. Webber, President
Milwaukee Professional Firefighters' Association
June 8, 2009
Page 2

4. Local #215 agrees that the City of Milwaukee will have to make alterations to employee time records to execute this agreement because of the lack of codes in the payroll system to accomplish the intent of the agreement.
5. The City of Milwaukee agrees to bargain the impact of the unpaid time off on benefits related to base salary if so requested by Local #215.
6. This agreement expires January 1, 2010.

This counter proposal is the equivalent of 16 hours of unpaid time off if firefighters worked a 40 hour work week.

If you agree to the above conditions, please sign, date, and return a copy of this letter to me before the end of the day on June 12, 2009. The Agreement will then go before the Finance and Personnel Committee meeting on June 15, 2009 and before the Common Council on June 16, 2009.

Thank you for your consideration.

Sincerely,



Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Milwaukee Common Council Members
Douglas Holton, Chief

Bobbie R. Webber
President, Local #215

Date



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. John Balcerzak, President
Milwaukee Police Association
6310 West Bluemound Road
Milwaukee, WI 53213

RE: Furloughs

Dear Mr. Balcerzak:

As you know the City of Milwaukee is facing daunting economic challenges in the coming months. One of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Police Department will be furloughing some Captains and all higher ranking officials, including the Chief.

In addition, the City will furlough for 16 hours some employees represented by the Milwaukee Police Association. The employees who will be furloughed are those who are involved with police support functions rather than patrol duties. The Chief will decide which employees are to be furloughed.

Since approximately 60% of all City employees will lose 16 hours of salary, I am requesting that employees represented by the Milwaukee Police Association, who are not furloughed, participate with a salary reduction by agreeing to take two days of unpaid vacation or floating holidays between now and December 31, 2009.

I also hope you and the entire law enforcement community understand that I am truly appreciative of the work they do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality of their work.

Mr. John Balcerzak, President
Milwaukee Police Association
June 5, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive style with a large, prominent "T" and "B".

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief



Tom Barrett
Mayor, City of Milwaukee

June 5, 2009

Mr. Thomas P. Klusman, President
Milwaukee Police Supervisor's Organization
2900 W. Forest Home Avenue
Milwaukee, WI 53215

RE: Furloughs

Dear Mr. Klusman:

As you know the City of Milwaukee is facing daunting economic challenges in the coming months. One of the options the City will be implementing to deal with these challenges is mandatory furloughs. Since my last meeting with you and other union leaders, there has been a change regarding sworn employees. The Milwaukee Police Department will be furloughing all non-represented managers, including the Chief.

In addition, the City will furlough for 16 hours some employees represented by the Milwaukee Police Supervisor's Organization. The employees who will be furloughed are those who are involved with police support functions rather than patrol duties. The Chief will decide which employees are to be furloughed.

Since approximately 60% of all City employees will lose 16 hours of salary, I am requesting that employees represented by the Milwaukee Police Supervisor's Organization, who are not furloughed, participate with a salary reduction by agreeing to take two days of unpaid vacation or floating holidays between now and December 31, 2009.

I also hope you and the entire law enforcement community understand that I am truly appreciative of the work you do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality of your work.

Mr. Thomas P. Klusman, President
Milwaukee Police Supervisor's Organization
June 5, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Edward Flynn, Chief



Tom Barrett
Mayor, City of Milwaukee

June 8, 2009

Mr. Richard W. Abelson, Executive Director
Milwaukee District Council 48
AFSCME, AFL-CIO
3427 West St. Paul Avenue
Milwaukee, WI 53208

RE: Employees Ineligible for Furloughs

Dear Mr. Abelson,

As you know the City of Milwaukee will be asking the Common Council to implement 16 hours of mandatory furloughs for most employees. It appears that all but a few employees represented by District Council 48 will be furloughed at some point during 2009 for 16 hours. The only employees you represent not being furloughed are the following:

Tow Lot Assistant IV (2)
Tow Lot Crew Leader
Tow Lot Assistant III (7)
Tow Lot Attendant (11 regular, 2 auxiliary)

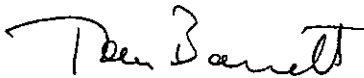
The managers and supervisors in the tow lot will be furloughed. Since all other employees represented by District Council 48 will lose 16 hours of salary, I am requesting that the employees in the above classifications agree to participate in the salary reductions by agreeing to take two days of unpaid vacation between now and December 31, 2009.

I also hope you and the employees you represent understand that I am truly appreciative of the work they do on a day-to-day basis. The financial sacrifice I am asking for is in no way a reflection of the quality or quantity of their work.

Mr. Richard W. Abelson, Executive Director
Milwaukee District Council 48
June 8, 2009
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive style with a large, sweeping initial "T".

Tom Barrett
Mayor

cc: Willie L. Hines, Jr., President
Michael J. Murphy, Alderman
Jeff Mantes, Commissioner

TB:TMH:lk



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

June 8, 2009

Bobbie R. Webber, President
Local #215, Milwaukee Professional Fire Fighters' Assoc.
International Association of Fire Fighters, AFL-CIO
5625 W. Wisconsin Avenue
Milwaukee, WI 53213

RE: Furlough Implementation Impact Bargaining

Dear Mr. Webber:

As you know the Milwaukee Common Council will be voting on two days of furloughs for City employee in 2009. Part of the file includes provisions that require the City to bargain the impact of the furloughs on the employees you represent. The City is attempting to neutralize the adverse impacts on the non-represented employees as it relates to benefits associated with base salary and days worked. The City will offer the same to all unionized employees, and discuss any other options you bring forward.

Once all the documents for the Common Council to review are finalized I will attach them to an electronic mail message and send them to you. As you know the impact bargaining does not have to be completed prior to a vote by the Common Council or even the first furlough day.

If you would like to meet to discuss the impact of the furloughs, please contact me to schedule a meeting.

Sincerely,

Troy M. Hamblin
Labor Negotiator

cc: Tom Barrett, Mayor
Willie L. Hines, Jr., President
Michael J. Murphy, Alderman

TMH:lk

Furlough ImpactBarg_06 2009.doc
Labr/lbr

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
LINDA ULISS BURKE
VINCENT D. MOSCHELLA
Deputy City Attorneys



THOMAS O. GARTNER
BRUCE D. SCHRIMPF
SUSAN D. BICKERT
STUART S. MUKAMAL
THOMAS J. BEAMISH
MAURITA F. HOUREN
JOHN J. HEINEN
DAVID J. STANOSZ
SUSAN E. LAPPEN
JAN A. SMOKOWICZ
PATRICIA A. FRICKER
HEIDI WICK SPOERL
KURT A. BEHLING
GREGG C. HAGOPIAN
ELLEN H. TANGEN
MELANIE R. SWANK
JAY A. UNORA
DONALD L. SCHRIEFER
EDWARD M. EHRlich
LEONARD A. TOKUS
MIRIAM R. HORWITZ
MARYNELL REGAN
G. O'SULLIVAN-CROWLEY
KATHRYN Z. BLOCK
MEGAN T. CRUMP
ELOISA DE LEÓN
ADAM B. STEPHENS
KEVIN P. SULLIVAN
BETH CONRADSON CLEARY
THOMAS D. MILLER
HEIDI E. GALVÁN
JARELY M. RUIZ
ROBIN A. PEDERSON
DANIELLE M. BERGNER
Assistant City Attorneys

May 12, 2009

Ms. Maria Monteagudo
Director
Department of Employee Relations
Room 706 – City Hall

Dear Ms. Monteagudo:

On October 28, 2008, we first opined that a proposed budget amendment requiring that City employees take unpaid leave was allowed by law, with some qualifications. (See attached.) You now advise that Mayor Barrett is considering asking the Common Council to pass an ordinance implementing mandatory furloughs for general City employees in 2009 and beyond as a way to address the fiscal challenges we currently face. You now ask several follow-up questions.

For purposes of this analysis, you ask us to assume that the City will implement two mandatory furlough days before the end of the 2009 fiscal year for all general City employees, including management, represented, and non-management/non-represented employees. You also ask us to assume that you are interested in minimizing the impact of implementing mandatory unpaid time off on benefits that accrue based on payroll status and earnings.

We address each of your questions in the order presented.

QUESTION 1: Implication on FLSA status of exempt employees given furlough initiative.

ANSWER:

Fair Labor Standards Act (“FLSA”) regulations applicable to exempt employees will not constitute a significant obstacle to a furlough program applicable to FLSA-exempt employees as long as such furloughs are ordered because of budget-related reasons.

As a general rule, under federal Wage and Hour Division regulations all FLSA-exempt employees must be paid on a “salary basis” or they will be deemed to lose their exempt

OFFICE OF THE CITY ATTORNEY

Ms. Maria Monteagudo
May 12, 2009
Page 2

status. 29 C.F.R. § 541.600-541-606. Payment on a “salary basis” requires, among other things, that the exempt employee receive his or her *entire* salary for any work week in which he or she performs any work, subject to certain exceptions involving matters such as exhaustion of sick leave and certain disciplinary suspensions. Unpaid furloughs involving less than a full work week are not included among the circumstances for which a reduction is permissible (note: exempt status is not affected if an employee is not paid anything for an entire week in which no work is performed; therefore, if an exempt employee is furloughed without pay for an entire work week, and if the employee performs no work during that week, this would have no impact upon the employee’s status). If employees are not paid in complete compliance with the salary-basis requirements, they can be deemed non-exempt (i.e., they will be considered to be entitled to overtime pay) for a period of time stretching as far back as the statute of limitations for an FLSA claim (three years for “willful,” i.e., “knowing” violations of the Act; two years for non-willful violations—most violations are found to be “willful”). There is one noteworthy and (for present purposes) highly relevant exception to this principle: under 29 C.F.R. § 541.710(b), if a “public agency” orders a “budget-related furlough” of an FLSA-exempt employee, the employee is not deemed to lose his or her exempt status “except in the work week in which the furlough occurs and for which the employee’s pay is accordingly reduced.”

The City qualifies as a “public agency” under this regulation and, therefore, if it were clear (e.g., through language to this effect in a resolution providing for furloughs) that mandatory furlough days are required because of *budgetary requirements*, the only week(s) in which FLSA-exempt employees subject to furloughs would be deemed non-exempt (i.e., in which they would be entitled to overtime pay) would be the week(s) in which mandatory furloughs are taken. For any such weeks, the otherwise FLSA-exempt employee would be entitled to overtime *only* if he or she worked more than 40 hours.

Some FLSA-exempt employees presently working for the City, because of the nature of their duties, may regularly or sporadically work well in excess of 40 hours in a given work week, and it is conceivable that some such employees might work more than 40 hours even in a week in which a furlough is taken. Because such employees would not be deemed exempt in any work week in which their pay is reduced because of a furlough (subject to the rule, noted in the first paragraph above, that exempt status is not affected if an employee receives *no pay* in a week during which *no work* whatsoever is performed), this potential overtime liability could possibly exceed, for such employees, the savings the City hoped to achieve with their furloughs. If, for example, an employee furloughed on a Friday worked 8 hours a day Monday through Thursday, was furloughed on Friday, then worked 10 hours each day of the weekend, for a total of 52 hours in the week, he or she would be entitled to 12 hours of overtime. This overtime would need to be paid at one and one-half times his or her “regular rate” of pay, which for most FLSA-exempt City employees would be their weekly salary divided by 40. Under a scenario such as this, the

Ms. Maria Monteagudo
May 12, 2009
Page 3

effect of a mandatory furlough would be greater costs to the City (as regards such employees) than if furloughs had not been granted.

Accordingly, because exempt employees would be entitled to overtime pay in any week in which an unpaid furlough day is taken, in order for mandatory furloughs to achieve maximum savings, care must be taken to ensure that in any week in which a furlough is taken by an FLSA-exempt employee, actual hours worked by the employee are kept below the 40-hour overtime threshold. Managers would need to be instructed to communicate and enforce this requirement—it is worth pointing out that under the federal law any time worked by an employee counts as time worked for overtime purposes as long as the employer knew or should have known about it and allowed it to occur).

The likelihood that exempt employees with jobs that demand long hours would exceed the overtime threshold of 40 hours in a week could be significantly reduced if such employees were required to take furlough in weeks that contain a paid holiday. Paid holiday time off does not count as “hours worked” under the FLSA. Therefore, if an employee had Monday off as a paid holiday, then had Tuesday off as an unpaid furlough day, he or she would need to work more than 40 hours in the period from Wednesday through Sunday before any overtime liability would accrue. Alternatively, the furloughs of FLSA-exempt employees in positions that occasionally require extremely long hours (e.g., DPW supervisors/managers during snow emergencies, budget personnel during the weeks before a budget is submitted, City Attorney personnel preparing for a significant trial, etc.) could be scheduled at times when work demands are not pressing. Again, managers would be in the best position to ensure such conditions are met.

Because the FLSA requires employers to keep track of all hours worked by non-exempt employees, the City would need to ensure that the *actual hours worked* by an otherwise FLSA-exempt employees in any week in which a budget-related furlough is taken are accurately tracked (e.g., by requiring the employees to submit their daily hours to their manager for any week in which a furlough occurs). The City would need to keep these records for a period of at least three years from the date any furlough is taken. 29 C.F.R. § 516.3 (the federal regulations require employers to track and maintain many different types of records, for both exempt and non-exempt employees, but these are so obvious and necessary—e.g., employee names, addresses, and positions—that there seems little doubt that they are already maintained by department and payroll personnel records of actual hours worked by FLSA-exempt employees, by contrast, probably are not presently maintained).

QUESTION 2: How to avoid unemployment insurance liability for furloughed employees. Would limiting the time without pay to increments of 4 hours per week negate employee’s eligibility for unemployment compensation?

ANSWER:

Under § 108.05(3) of the Wisconsin Statutes (the Unemployment Compensation Act), partial unemployment benefits are sometimes payable to employees during periods of time when their hours are reduced. Partial benefits are calculated by subtracting \$30 from the wages earned by an employee in a particular week, multiplying the resulting figure by .67, and comparing the product of this calculation with the unemployment compensation benefits for which the employee would be eligible had he or she been unemployed for the entire week. The following chart shows a (very close) approximation of the partial unemployment benefits to which employees with "base period wages" at different annualized rates would be entitled under scenarios involving 8 hours and 4 hours of unpaid furlough time in a given week (base period wages is a term of art in the Unemployment Compensation Act; such wages are based upon total earnings in the first four of the last five full calendar quarters preceding the first date an employee seeks full or partial benefits):

<u>Annualized wages in base period</u>	<u>U.C. benefit if furloughed 8 hours in a week</u>	<u>U.C. benefit if furloughed four hours in a week</u>
\$20,000/yr.	\$14.95	\$0.00
\$25,000/yr.	\$12.40	\$0.00
\$30,000/yr.	\$10.87	\$0.00
\$32,500/yr.	\$10.10	\$0.00
\$35,000/yr.	\$9.33	\$0.00
\$40,000/yr.	\$0.00	\$0.00

The formula for calculating partial unemployment compensation benefits functions, in effect, to make employees who experience only four (or even five, for that matter) hours of unpaid time off in a week ineligible for benefits, and to make employees who experience only eight hours of unpaid time off in a week eligible only for a minimal benefit. Because all employees with "base period wages" at an annual rate equivalent to \$36,300 or more per year receive the same maximum weekly unemployment compensation benefit of \$363. The partial unemployment compensation benefit associated with an eight-hour unpaid furlough drops to zero for employees whose annualized base period wages fall somewhere between \$35,000 and \$40,000, and remains zero for all employees making more than that amount.

If the City planned to furlough large numbers of employees under circumstances where partial unemployment benefits might be available, it would seem prudent to contact local Unemployment Compensation Division offices in advance so that both their staff and ours will be prepared for the potential influx of claims. Given the small amount of benefits available in weeks involving only an eight-hour furlough, it seems conceivable some employees (maybe lots) might forego filing claims for such short periods off.

QUESTION 3: Impact of unpaid time off on creditable service for purposes of retirement?

ANSWER:

“Creditable service” is defined as “membership service for which credit is allowable under section 4 of this act [s. 36-04].” § 36-02-11. “Membership service” means “service as an employee since last becoming a member of the retirement system and on account of which contributions are made by the city or city agency.” § 36-02-22. (Emphasis supplied.)

Section 36-04, entitled “Creditable Service”, provides in subsection 1-a, that “[t]he board shall fix and determine by appropriate rules and regulations how much service in any years is equivalent to one year of service.” This grant of authority is limited as specified in that section.¹ A determination of any service credit by the Board constitutes a contractual and vested right of the member. § 36-04-1-a.

Board Rule XV-A-2 provides that the Board shall allow service credit for any period of up to one-month (20 calendar days) of unpaid leave of absence, suspension, strike or layoff, provided the member agency has given the ERS appropriate documentation defining the specific dates of unpaid leave of absence, suspension, strike, or layoff.

The Board rule, however, is subject to the following limitations:

1. Service credit for unpaid time may be granted to members who were full-time employees during each pay period of the year during which the unpaid time was accrued.
2. No service credit may be granted for unpaid time accrued during the year of enrollment, or the year of retirement or separation.

¹ The limitations are as follows: no more than one year of service credit may be awarded for all service in one year, and no service credit for a period longer than one month during which the member is absent without pay, except that members employed by the school board for a 10-month school year shall receive credit for one year. § 36-04-1-a. In addition, service credit is allowed for persons on authorized military leave and for military service prior to membership. § 36-04-1-b and c.

Ms. Maria Monteagudo
May 12, 2009
Page 6

The circumstances for which the Board shall grant service credit under Rule XV-A-2 do not include furloughs. Accordingly, to ensure service credit is granted for time spent on furloughs, the Board would have to amend Rule XV-A-2. Moreover, part-time employees and employees in their enrollment year or retirement or separation year would not be eligible for service credit for unpaid time. The Board would need to amend the rule also to grant service credit to members in those circumstances.

QUESTION 4: Impact on benefits calculated as a percentage of earnings (i.e., life insurance, long term disability, etc.). Is there anything that can be done to minimize the impact?

ANSWER:

The impact on benefits calculated as a percentage of income will be determined by the specific language used in the legislation or contracts implementing the mandatory furloughs.

For life insurance, because the benefit amount is determined by salary rates, furloughs would not change the amount of the benefit unless the furlough provisions explicitly so provide. Section 350-25-4 of the Ordinances states that the amount of base coverage for employees other than firemen or policemen or those in a certified collective bargaining unit "shall be equal to an employee's annual basic salary to the next higher thousand dollars of earnings." Section 350-25-12 provides that the amount of the benefit for specified unrepresented fire and police management employees is "an amount equivalent to 1.5 times their annual base salary rate rounded to the next higher thousand dollars." The ordinance also states that coverage will be adjusted semiannually on January 1 and July 1 to reflect changes in the base salary rate, which is defined as "an amount equivalent to the employee's biweekly base salary on those 2 dates, as the employee's biweekly base salary is established by the salary ordinance, divided by 14 and then multiplied by 365." Current collective bargaining agreements uniformly provide that the amount of life insurance is "the employee's annual base salary rounded to the next higher thousand dollars of earnings."

Under this language, the benefit is determined by the base salary amount, and not actual wages paid. For example, the benefit for an employee on unpaid, non-FMLA medical leave who returned to work and later died in the same calendar year would be based on the contractual salary base, not the actual time work. Similarly, the benefit is not reduced to the actual amount of salary an employee earned in the year of death, nor does it increase in years in which an employee receives a retroactive pay increase. Without such a provision, the amount of the life insurance benefit would continue to be calculated on the base salary amount for a position and would not be reduced by mandatory furlough time.

A similar result prevails with respect to long-term disability benefits. The amount of a long-term disability insurance benefit is governed by the terms of the City's policy with Standard Insurance Company. The policy provides that the benefit is based on "indexed predisability earnings," which are defined as "Predisability Earnings adjusted by the rate of increase in the CPI-W." "Predisability Earnings" are based on the earnings in effect on an employee's last full day of work and are defined as "your average monthly rate of earnings from you Employer during the preceding 12 calendar months, or during your period of employment if less than 12 calendar months." Absent a specific provision that furloughs reduce salary rates, they will have no effect on the amount of a long-term disability benefit.

QUESTION 5: What if any requirements exist to amend section 350-209 of the Milwaukee Code of Ordinances and Salary Ordinance in relation to the implementation of furloughs? (Please note that managers and other employee groups accrue vacation based on time on payroll and the intent is not to reduce the vacation accrual by the unpaid time off.)

ANSWER:

Furloughs should be accomplished via an ordinance passed by the Common Council, including language to obviate any potential effect of any existing ordinances such as section 350-209 (specifying an eight-hour workday and five-day work week) through a clause such as the following, which spells out any intended effects: "Notwithstanding any ordinances to the contrary, time spent by a City employee on furlough shall count as working time for purposes of calculating vacation eligibility and accrual subject, however, to any duty to bargain over such matters with labor organizations representing City employees." If there is an intent to allow vacation time to accrue during furlough time, and if there are any other ramifications of an unpaid day off that merit clarification and certainty (e.g., effects upon sick leave eligibility, pension benefits, life insurance, and long-term disability benefits), such effects could similarly be addressed in such a clause. We would be happy to review any such proposed legislation prior to its submission to Council.

Although it seems likely that the City's collective bargaining agreements would allow the City to unilaterally implement short furloughs, those collective bargaining agreements also address the accrual of vacation time and any unilateral modification of the rules set forth in those agreements, even if beneficial to employees, could constitute a violation of some bargaining agreements (it could also constitute an impermissible unilateral change in conditions of employment—a prohibited practice under the Municipal Employment Relations Act). If, for example, a bargaining agreement provided that vacation accrual is linked to each hour or day worked, allowing vacation to accrue on a furlough day would violate the contractual vacation accrual language and would constitute a breach of the

contract (and, as noted, a prohibited practice). Accordingly, language authorizing furloughs and any of the intended effects of furloughs upon wages, hours, and conditions of employment such as that offered in the preceding paragraph needs to contain a general reference to the duty to bargain.

One additional reason exists for including a reference to the duty to bargain in any language authorizing furloughs. Under the Municipal Employment Relations Act (“MERA”), even in situations where management has an unequivocal right to take an action unilaterally, a duty still exists to bargain over the *effects* of the action upon wages, hours, and conditions of employment. “Effect bargaining,” also called “impact bargaining,” generally does not include a requirement that parties reach agreement, and employers are generally free after bargaining to impasse in effects bargaining to unilaterally implement their final offers with respect to any effects of the underlying action.²

QUESTION 6: What if any considerations must be given to employees on paid sick leave, FMLA, injury pay, or worker’s compensation during the “mandatory furlough days.”

ANSWER:

Sick Leave

Section 350-37 of the Milwaukee Code of Ordinances provides for a sick and disability leave to “cover necessary absence from duty of an employee. . . .” Some of the collective bargaining agreements incorporate the language of § 350-37 in the sick leave provisions of the labor agreements. A mandatory furlough day does not require an absence from duty. Therefore, sick leave that is not being used for absences related to a Worker’s Compensation injury where the employee is still in a healing period would not have to be provided by the City as paid leave for furlough days.

FMLA

FMLA is both a federally mandated and state mandated leave for a serious health condition of an employee and for serious health conditions of certain members of the employee’s family, or the birth or adoption of a child. 29 U.S.C. § 2601 et. seq.; Wis. Stat. § 103.10. The purpose of the federal and state FMLA is to assist employees with

² An exception to the rule that an employer can implement its final offer after reaching impasse in effects bargaining exists in situations where an aspect of the employer’s final offer is already addressed in the parties’ collective bargaining agreement: thus, although whether or not vacation time should accrue while an employee is on furlough would constitute a proper subject for effects bargaining, an employer could not unilaterally implement a final offer on this issue that violated a collective bargaining provision covering accrual. There are certain other situations where unilateral action cannot occur after impact bargaining but these apply only under very specific circumstances and have no relevance to the issues associated with unpaid furloughs.

Ms. Maria Monteagudo
May 12, 2009
Page 9

balancing the demands of the workplace with the needs of their family. 29 U.S.C. § 2601 (b) (1); *Kelley Company v. Marquardt*, 172 Wis.2d 234, 249, 493 N.W.2d 68 (1992). FMLA is designed to protect employees' jobs and benefits while they are on leave. *Kelley*, 172 Wis.2d at 249

Mandatory furlough days do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Also, as proposed by the City, the mandatory furlough days would not impact an employee's benefits or job assignment. Therefore, the City could require employees on FMLA to take mandatory furlough days during their FMLA leave. However, an employee may be able to extend his or her FMLA leave by the number of furlough days he or she is required to take during their FMLA leave. Whether an employee's FMLA leave would be extended is dependent on the individual employee's specific circumstances. Therefore, we recommend that should this situation occur, please contact our office for advice.

Worker's Compensation/Injury Pay

Under Wisconsin's Worker's Compensation law, an employer must pay temporary disability benefits for the period of time during which the employee is within the healing period for a work-related injury and sustains an actual wage loss. Wis. Stat. § 102.43; *Employers Mut. Liability Ins. Co. v. Industrial Commission*, 230 Wis. 670, 284 N.W. 548 (1939). By ordinance, the City of Milwaukee pays injury pay "in lieu of" temporary disability benefits payable under Worker's Compensation. § 350-37-8, Milwaukee Code of Ordinances. Section 350-37-8 is codified in the collective bargaining agreements between the City and the various unions. Therefore, if the City is obligated to pay temporary disability payments for specified mandated furlough days, it will be obligated to pay injury pay for those days (assuming the employee has not exhausted his or her injury pay benefit).

The Labor and Industry Review Commission (LIRC), the administrative agency that oversees and interprets Ch. 102 of the Wisconsin Statutes, has ruled that an employee who is still in a healing period is entitled to temporary disability during an employer-mandated lay-off and a compulsory vacation period, or "off-week." *Kluge v. United States Fidelity & Guaranty Co*, 2002 WL 31927542 (LIRC 2002); *Slow v. Warner Amex Cable Comm.*, 1991 WL 476890 (LIRC 1991). The rationale of these two administrative decisions would apply to mandated furlough days and require the City to pay temporary disability benefits or injury pay benefits for specified mandatory furlough days if the employee were entitled to the temporary disability benefits under Worker's Compensation. Also, if the labor contract allows the employee to use sick leave rather than being paid temporary disability benefits under worker's compensation (this is in situations where the employee has exhausted injury pay), the City would have to allow

Ms. Maria Monteagudo
May 12, 2009
Page 10

the employee to use paid sick leave for specific mandatory furlough days that occur during the employee's healing period. However, the City can require employees who are eligible for temporary disability benefits under Worker's Compensation to take mandatory furlough days when they return to service.

QUESTION 7: What if any role does the City Service Commission play in relation to this mandate:

ANSWER:

While we recommend that the City Service Commission be advised of mandated furloughs, the Commission does not have a direct role in its implementation.

QUESTION 8: How can elected officials participate?

ANSWER:

We find no limitations in the Wisconsin Statutes, Charter or the Code of Ordinances upon the broad powers of the Common Council to deal with the City's finances and personnel that are set out in Wis. Stat. § 62.11(5) and MCC 4-10. Therefore, a furlough of elected officials in terms of voluntarily foregone salary would be within the purview of the Council's powers under MCC 18-06-13 to suspend expenditures for salaries. The decision as to whether an individual's duties should be performed on a day when his or her salary is foregone is an individual decision for that elected official.

QUESTION 9: Is there any provision (outside of collective bargaining) that guarantees employees a right to compensation if directed not to report to work?

ANSWER:

As a general rule, employers are free to determine the number of hours of work assigned to their employees unless they have committed themselves, via collective bargaining agreements covering represented employees or via employment contracts with individual employees to employment guarantees. For municipal employers, ordinances, to the extent they grant rights to employees, could also potentially give rise to enforceable employee rights.

We have also already addressed potential effects of section 350-209 of the Milwaukee Code of Ordinances in our response to item 5, above. To the extent that provision could be construed to provide any guarantees of employment for eight-hour days and five-day weeks—and such a construction seems strained (that section is concerned with ensuring employees are not subjected to excessively long workdays and weeks, not to establishing

Ms. Maria Monteagudo
May 12, 2009
Page 11

minimum guarantees)—any such effects would be obviated by language such as that recommended by us in the first paragraph of our response to item 5 (“Notwithstanding any ordinances to the contrary, . . .”).

We have addressed certain ramifications of the Fair Labor Standards Act upon FLSA-exempt employees who are given furloughs in our response to item 1, above, and how the FMLA, Worker’s Compensation Act, and City policies regarding injury pay are affected by furloughs in our response to item 5, above. A review of additional labor and employment laws applicable to the City has not disclosed any that would prohibit furloughs or that seem to raise issues meriting comment.

Please do not hesitate to contact us if you have any additional questions or concerns.

Very truly yours,



GRANT E. LANGLEY
City Attorney

RUDOLPH M. KONRAD
VINCENT D. MOSCHELLA
Deputy City Attorneys

THOMAS J. BEAMISH
MAURITA HOUREN
ELLEN H. TANGEN
DONALD L. SCHRIEFER
Assistant City Attorneys

GFL:VDM/sf

Enc.

c: Ronald Leonhardt;
Patrick Curley
Troy Hamblin
Ald. Michael Murphy
1045-2009-1234:145782

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
LINDA ULISS BURKE
VINCENT D. MOSCHELLA
Deputy City Attorneys



THOMAS O. GARTNER
BRUCE D. SCHRIMPF
SUSAN D. BICKERT
STUART S. MUKAMAL
THOMAS J. BEAMISH
MAURITA F. HOUREN
JOHN J. HEINEN
DAVID J. STANOSZ
SUSAN E. LAPPEN
JAN A. SMOKOWICZ
PATRICIA A. FRICKER
HEIDI WICK SPOERL
KURT A. BENLING
GREGG C. HAGOPIAN
ELLEN H. TANGEN
MELANIE R. SWANK
JAY A. UNORA
DONALD L. SCHRIEFER
EDWARD M. EHRlich
LEONARD A. TOKUS
MIRIAM R. HORWITZ
MARYNEEL REGAN
G. O'SULLIVAN-CROWLEY
KATHRYN Z. BLOCK
MEGAN T. CRUMP
ELGISA DE LEON
ADAM B. STEPHENS
KEVIN P. SULLIVAN
BETH CONRADSON CLEARY
THOMAS D. MILLER
HEIDI E. GALVAN
JARELY M. RUIZ
ROBIN A. PEDERSON
Assistant City Attorneys

October 28, 2008

Mr. Barry J. Zalben, Manager
Legislative Reference Bureau
Room B-11, City Hall

Re: Proposed Budget Amendment Mandating that City Employees
Take Unpaid Leaves of Absence During 2009

Dear Mr. Zalben:

On October 16, 2008, you sent the following opinion request to this office:

"On behalf of a Common Council member, the Legislative Reference Bureau is requesting that you opine on whether it is permissible, pursuant to an amendment to the 2009 proposed city budget, to mandate that city employees take a number of unpaid days during 2009. The opinion should further address whether such an amendment could be applicable to various classes of city employees, that is, those covered by collective bargaining agreements; management employees; and nonmanagement, nonrepresented employees."

We now respond to your inquiries.

Initially, we note that your inquiry regarding mandating City employees to take a certain number of unpaid days off work does not distinguish between City employees constituting the protective services, i.e., employed in the fire and police departments, and those employees in the general City workforce. Given the need for a timely response to your inquiry, the potential that in fact there may not be an interest in mandating that protective service personnel not work a certain number of days, and the complexities of the provisions of Wis. Stat. § 62.50 (with respect to the authority of the Common Council, the Mayor and the Fire and Police Commission regarding the regulation of the Fire and Police Departments), our response is limited to the various classes of City employees not holding sworn positions in the ranks of the Fire and Police departments.

Generally speaking, the rule of law in Wisconsin for municipal employees is set forth in *Vorwald v. School District of River Falls*, 167 Wis. 2d 549, 557, 482 N.W.2d 93, 96 (1992):

"Under Wisconsin law, employment at will is the rule. Absent civil service regulations or laws, or a contract or collective bargaining agreement, a municipal employee is an employee at will and has no property interest in employment."

OFFICE OF THE CITY ATTORNEY

Milwaukee City Hall Suite 800 • 200 East Wells Street • Milwaukee, Wisconsin 53202-3551 • Telephone: 414.286.2601 • TDD: 414.286.2025 • Fax: 414.286.8550

Mr. Barry J. Zalben
October 28, 2008
Page 2

In our judgment, the City would be able to require that City employees take a limited number of unpaid days off work in 2009 due to financial pressures on the City. We have divided our analysis into two categories concerning addressing, respectively: (1) management employees and non-management/non-represented employees, and (2) employees represented by various labor organizations and covered by collective bargaining agreements.

With respect to those City employees not covered by a collective bargaining agreement, the Common Council may mandate a limited number of unpaid days off of work. One consequence, however, will result from such action taken regarding management employees who are exempt from the overtime payment requirements under the federal Fair Labor Standards Act ("FLSA"), 29 USC § 201, et seq. Pursuant to a regulation promulgated under the FLSA, 29 C.F.R. § 541.602, in order for employees to qualify as exempt from overtime pay requirements, City employees must be paid on a "salary basis." In such circumstances it is generally impermissible to make *any* reduction in the pay of an exempt employee in any work week in which the employee performs work, unless the reduction falls within certain enumerated exceptions identified in the regulations. If an otherwise-exempt employee were found not to be paid on a "salary basis," the employee would normally be deemed entitled to overtime pay for a period of three years prior to the filing of a complaint. However, a separate federal regulation, i.e. 29 C.F.R. § 541.710 (b), provides that:

Deductions from the pay of an employee of a *public agency* for absences due to a budget-required furlough shall not disqualify the employee from being paid on a salary basis except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced. (Emphasis added).

Under this exception, the City (and other public sector employers) can require exempt employees not to report to work for partial or full days and can reduce their pay accordingly as long as the action relates to a budgetary issue. Accordingly, we advise that any Common Council-enacted measure should clearly state that the number of days to be taken off (i.e., the furlough), was required because of City financial problems. The ramification of such Common Council action would cause these employees, who were otherwise exempt from the overtime requirements of the FLSA, to be deemed non-exempt, but only for work performed during the week of their furlough. In short, although it would seem highly unlikely, if these employees were to work more than 40 hours in the week in which the furlough was taken, they would be entitled to overtime pay for the hours worked in excess of 40 hours during that week. Apart from this situation, however, we do not consider there to be a limitation on the Common Council's mandating that unrepresented City employees take a limited number of unpaid days off of work during 2009.

With respect to employees covered by collective bargaining agreements, the rights of the City and the employees are determined by those agreements. Given that the City has collective bargaining agreements with 19 certified collective bargaining representatives, a comprehensive answer to your question would require examining the provisions of each of those labor agreements. Nonetheless, given that the City historically seeks to include standard language in certain articles of all labor agreements that might bear on this issue, we have reviewed the current labor agreement between the City and Milwaukee District Council 48, AFSCME (the largest union representing City employees) to respond to your question. Under the management rights article (Article 6) of that labor agreement, the following provisions are applicable:

6.1 The Union recognizes the right of the City to operate and manage its affairs in all respects in accordance with its responsibilities. Any power or authority which the City has not officially abridged, delegated or modified by this Agreement is retained by the City.

* * *

6.3 The City shall have the right to determine the reasonable schedules of work and to establish the methods and processes by which such work is performed.

6.4 The City has the right to schedule and assign regular and overtime work as required.

* * *

6.7 The City reserves the right to layoff for lack of work or funds, or the occurrence of conditions beyond the control of the City, or where the continuation of work would be wasteful and unproductive.

Additionally, the "Hours of Work" (Article 20) provision of that contract, specifying that the "normal" work day consists of eight hours and that the "normal" work week consists of five calendar days, provides:

20.4 Nothing in this Agreement shall be construed as a guarantee or limitation on the number of hours to be worked per day, per week, or for any other period of time except as may be specifically provided.

Given this language, in our opinion the pressing financial circumstances facing the City that might cause the Common Council to reduce the work week of City employees for a limited period of time would not constitute a violation of this provision of the contract. In that regard, when challenges have been brought to a governmental employer's decision to shorten the work week of its employees, arbitrators have generally determined that there has been no contract violation when the reduction has been for a limited period. For instance, in *Jackson County*, Case 148, No. 62559, MA-12338 (2005), the County notified all members of its highway department that there would be no work on one designated day in each of three weeks during April. The arbitrator determined that the budgetary shortfall prompting the County's action amounted to a single incident involving a three-day variation in the employees' regular work week and did not constitute a violation of the labor agreement. By contrast, when a county for budgetary reasons reduced the normal work week for its employees by one hour per week for 37 weeks, an arbitrator determined that this reduction for an extended period of time violated the contract, and required that the employees be paid for the one-hour period for which they were denied work. *Fond du Lac County*, Case 176, No. 66362, MA-13502.

Mr. Barry J. Zalben
October 28, 2008
Page 4


Although in our opinion the City has the authority to mandate that employees take a limited number of days off without pay in 2009, it is possible that such an action would be argued to constitute a lay off. The City's labor agreements contain provisions regarding the manner in which layoffs would occur, generally taking into account seniority. If the Common Council opts to mandate that employees take days off without pay, it would be prudent to include in any resolution providing for such time off language indicating that the action shall be undertaken consistent with applicable collective bargaining agreement provisions and Wisconsin labor law.

As a final word, it bears noting that employees who are ordered to take a day or more off without pay in a pay period would not be precluded from applying for and receiving unemployment compensation benefits for the time off (there is no waiting period for receipt of such benefits). Unemployment compensation benefits paid out to eligible City employees are assessed by the State to the City. Accordingly, this would have some impact upon the savings associated with a reduction in the days employees work.

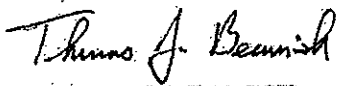
Very truly yours,



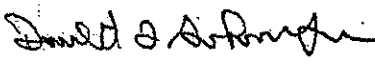
GRANT E. LANGLEY
City Attorney



VINCENT D. MOSCHELLA
Deputy City Attorney



THOMAS J. BEAMISH
Assistant City Attorney



DONALD L. SCHRIEFER
Assistant City Attorney

VDM:dms

c: Mayor Tom Barrett
Ronald Leonhardt
Mark Nicolini

1093-2008-3241:138555



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits
Director

Troy Hamblin
Labor Negotiator

June 11, 2009

To the Honorable
Members of the Common Council
City of Milwaukee

Dear Honorable Members;

Common Council File #090043 includes a resolution approving a 2009 Budget Management Plan authorizing the implementation of two mandatory furlough days for city officials and most city employees as one of the measures to adjust 2009 expenditures and plan for the 2010 City Budget given the City's fiscal challenges. Common Council File #090102 is an ordinance relating to the implementation of mandatory furloughs per the aforementioned resolution.

The decision to recommend mandatory furloughs included a careful analysis of how to implement this initiative in a manner that would minimize the impact on employee benefits and the disruption of City services. This analysis included an assessment of the impact of mandatory furloughs on several important areas including operations, grants, service delivery, and unemployment insurance liability.

While several alternatives were considered, it was determined that the most efficient way to implement two mandatory furlough days between now and the end of the fiscal year was to schedule them for most City departments at once during a holiday week. Departments, however, have the flexibility to staff essential services and operations during the mandatory furlough days and schedule those employees for furlough time before the end of the year. The implementation of mandatory furloughs for most employees at the same time has the advantage of ease of administration, more effective messaging to residents, and additional savings achieved from closed facilities.

Two mandatory furlough days have been identified – July 2, 2009 and September 8, 2009. All city officials and most employees will be furloughed, essentially shutting down most City operations. Exhibit B, attached to Common Council file #090043, Budget Management Plan, summarizes operational details associated with the implementation of mandatory furloughs across City departments. The number and type of positions identified under each “furlough-eligibility” category is subject to change based on business need and service delivery considerations or provisions of Memorandum of Understanding (MOU) between the City and its labor unions.

One of the key considerations in making the decision to recommend mandatory furloughs was to eliminate or minimize the impact of mandatory furlough time on employee benefits that are based on payroll status, including but not limited to vacation, sick leave, sick leave incentive and service credit for retirement purposes. Council File #090102 includes changes to the Milwaukee Code of Ordinances, Council File #090183 includes changes to the City Charter, and Council File #081192 includes changes to the Salary Ordinance to achieve this purpose.

It is important to note, however, that for represented employees, the impact or effects of mandatory furloughs upon such benefits, and upon wages, hours, and conditions of employment generally, are ultimately subject to bargaining between the City and the unions representing these employees. It is anticipated, however, that the goal of minimizing the impact of mandatory furloughs upon employee benefits is one that will be shared by the City and its unions.

The document “Mandatory Furlough Policy and Administrative Guidelines” has been developed by the Department of Employee Relations and is attached to this file. This document will provide guidance to City managers, human resources practitioners and payroll staff in implementing the City’s mandatory furlough initiative. This manual also answers important employment related questions and considerations that many employees will have.

Respectfully submitted,

Maria Monteagudo
Employee Relations Director

C: Mark Nicolini
Patrick Curley
Troy Hamblin

CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** June 11, 2009

FILE NUMBER: 090102

Original Fiscal Note Substitute

SUBJECT: Impact of Mandatory Furloughs on Benefits that are Based on Payroll Status

B) **SUBMITTED BY (Name/title/dept./ext.):** Maria Monteagudo, Employee Relations, 3335

C) **CHECK ONE:** ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) **CHARGE TO:** DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS

G) **LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:**

H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**
 Recommended Ordinance changes will prevent impact of mandatory furlough time on employee benefits that are based on payroll status including vacation, sick leave, and life insurance.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

2009 City of Milwaukee Furlough Initiative - Summary of Operational Details

Common Council File #090043 EXHIBIT B DER/DOA-Budget and Management Division June 11, 2009

Common Council File #090043 authorizes the implementation of two mandatory furlough days for city officials and most city employees. If the file is approved by the Common Council, the City will implement a mandatory furlough program that includes a shutdown of most City services on July 2 and September 8, 2009. This document summarizes the operational details associated with the implementation of this initiative across City of Milwaukee departments. The number and type of positions identified under each "furlough eligibility" category is subject to change based on business need, service delivery considerations or provisions of applicable Memorandum of Understanding (MOU) between the City and its labor unions.

Furlough-eligible functions have been identified by body of work. Most employees will be subject to the mandatory furlough on the days identified above while some employees will be subject to two days of delayed-mandatory furloughs to be scheduled in increments of 8 hours by the department head before the end of the 2009 fiscal year.

In general, mandatory furloughs will apply to all city officials and most employees independent of funding source. Furthermore, employees will not be allowed to substitute paid leave for mandatory furlough time except as otherwise allowed under applicable MOU's between the City and its labor unions. The implementation of mandatory furloughs across City departments is summarized below:

CABINET DEPARTMENTS: will comply with the mandatory furloughs scheduled for 07/02/09 and 09/08/09 for most employees. However, some employees staffing key functions will be required to work during the aforementioned days but will be scheduled for two mandatory furlough days as determined by the appointing authority or his/her designee before the end of the 2009 fiscal year.

NON-CABINET DEPARTMENTS: retain the flexibility of determining when employees will be furloughed. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed furlough days for furlough-eligible employees. The mandatory furloughs must, however, be implemented in 8-hour increments before the end of the fiscal year. Most non-cabinet departments have indicated that they will comply with the City-wide shut down on July 2, 2009 and September 8, 2009. The Municipal Court has decided to schedule the second mandatory furlough day on Friday, September 4, 2009 to minimize disruption in operations.

PROTECTIVE SERVICE DEPARTMENTS: The Chief of Police and the Fire Chief shall identify furlough-eligible and furlough-ineligible civilian and sworn positions to be scheduled for two 8-hour time periods of unpaid time off in a manner designed to minimize the disruption to department operations, maintain appropriate public safety/law enforcement resources and personnel, and avoid additional overtime or related expenditures.

FURLOUGH-ELIGIBILITY CLASSIFICATIONS

Furlough-Eligible –(FE) employees who occupy positions which have been identified as furlough eligible, and who are subject to furlough provisions applicable to their respective department and/or applicable provisions of MOU's between the City and its labor unions. All City of Milwaukee employees who are identified as furlough- eligible will be subject to two mandatory furlough days in 2009 to be served on July 2, 2009 and September 8, 2009 or scheduled, in a manner to be determined by the department head, in 8- hour increments before the end of the fiscal year.

Furlough-Eligible/Must Report-(FEMR) employees who occupy positions that have been identified as furlough-eligible and who would normally be furloughed on the designated City mandatory furlough days, but who are required to work because of business necessity. Employees who are FEMR will be required to serve two days of delayed mandatory furlough time, in increments of 8 hours, to be scheduled in a manner to be determined by the department head, before the end of the fiscal year.

Furlough-Ineligible – (FI) a position with assigned duties which must be performed on the scheduled mandatory furlough days. Employees occupying such positions are subject to working on the scheduled furlough days and are not required to serve two days of delayed mandatory furlough time. These positions are identified taking into account public safety concerns, areas impacted by a significant staffing shortage, and/or other service delivery considerations. *Note: The Mayor has requested that all unions representing furlough-ineligible employees agree to a comparable 16-hour reduction in salary.*

FURLOUGH-ELIGIBLE/MUST REPORT (FEMR)

DEPARTMENT OF PUBLIC WORKS:

- Garbage collection force of 169 workers: 77 cart collection routes (154 workers), 3 rear load routes (6 workers), 4 front load routes (4 workers), 5 designated date recycling routes (5 workers).
- 1 City Hall Operator
- Night parking enforcement, for the period that ends at 5:00 a.m. on July 3; and for the period that ends at 5:00 a.m. on September 9. Day parking enforcement.
- Electrical Service response (2nd and 3rd shift response for lighting services): 1 Electrical Services Manager, 7 Electrical Mechanics, 3 Electrical Workers, 2 Utility Workers, 2 Laborers-Electrical Service
- Construction Management: inspection of active, on-going construction projects by Public Works Inspectors: 35 Public Works Inspectors, 2 Management Civil Engineer Senior, 1 Civil Engineer III, and 1 Office Assistant III
- Bridge Openings: 14 Bridge Operators and 3 Bridge Operator Lead workers

- Fleet Maintenance Staff of 13 workers: 2 Dispatchers, 4 Field Service Mechanics, 6 second shift Vehicle Services Technicians, and 1 broom to sweep Summerfest and downtown area.
- Sewer Maintenance: 1 crew of a Sewer Investigator and Sewer Investigator Helper for day shift and 1 crew for second shift. The second shift crew will be on-call for the third shift.
- Tow Lot: 1 Tow Lot Manager, 1 Tow Lot Assistant Manager, 1 Vehicle Salvage Supervisor, and 1 Tow Lot Supervisor

WATER WORKS:

Minimum staffing for Water Works treatment plant operations and minimum staffing for Water Works distribution system control to include:

- 2 Water Chemists x 3 shifts
- 4 Senior Water Treatment Plant Operators x 3 shifts
- 2 Water Treatment Plant Operators x 3 shifts
- 1 Water Systems Operator x 3 shifts
- 1 Communications Assistant V x 3 shifts
- 1 Water Distribution Utility Investigator x 3 shifts
- 1 Water Distribution Laborer x 3 shifts

Note: Additional represented employees will be "on call" to respond to water main breaks.

CITY ATTORNEY: parking citation review function

- 1 Assistant City Attorney and 1 Legal Office Assistant on July 2, 2009

HEALTH DEPARTMENT:

July 2, 2009 (4 staff members), *September 8, 2009 (3 staff members)*

- 1 Environmental Health Specialist to work at Summerfest.
- 1 Virologist to work in the laboratory.
- 1 Public Health Nurse (2 hours to administer medication to TB clients)
- 1 Custodial Worker at Northwest Health Center to staff building when federal employees are working.

MILWAUKEE PUBLIC LIBRARY:

- 2 Custodial Workers to staff facilities when MCFLS employees will be working.

DEPARTMENT OF NEIGHBORHOOD SERVICES:

On July 2, 2009 for pre-shoot fireworks inspections, electrical and plumbing for festival and structural and electrical hazards emergency calls.

- 3 to 4 trades inspectors (plumbing, electrical, construction)

PORT:

If ship is scheduled to arrive during the furlough week, the following individuals will be scheduled to work: 1 Operations Manager, 1 Facilities Supervisor, 3 Port Maintenance Technicians, 2 Harbor Crane Operators, 1 Port Mechanic.

FURLOUGH –INELIGIBLE

MILWAUKEE POLICE DEPARTMENT:

To be identified at the discretion of the Chief.

MILWAUKEE FIRE DEPARTMENT:

To be identified at the discretion of the Chief.

DEPARTMENT OF PUBLIC WORKS:

Tow Lot represented employees. The Tow Lot is already scheduled to be closed for July 3-4 and Sept. 7-8 in accordance with City holidays. Tow Lot services involving payment of citations and retrieval of vehicles would be greatly impacted, even with staggered mandatory furloughs of represented employees.

Tow Lot Assistant IV (2)
Tow Lot Crew Leader
Tow Lot Assistant III (7)
Tow Lot Attendant (11 regular, 2 auxiliary)

NOTE: In addition to positions which have been identified as FEMR, City departments will ensure appropriate "on-call" personnel will be available to respond to emergencies during the shut- down.



CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines

Department of Employee Relations
June 11, 2009

CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines

TABLE OF CONTENTS

Background and General Information	2
Definitions.....	4
I Applicability.....	4
II Pay and Salary Considerations	5
III Benefit Considerations	5
IV Hours of Work/Alternative Work Schedule Considerations	8
V Administration of Leave Benefits	8
VI Recordkeeping and Payroll Considerations.....	10
VII General Considerations	10
Index	12

CITY OF MILWAUKEE
DEPARTMENT OF EMPLOYEE RELATIONS
Mandatory Furlough Policy and Administrative Guidelines
June 11, 2009

BACKGROUND AND GENERAL INFORMATION

Local governments throughout the nation, including the City of Milwaukee, are experiencing severe budget shortfalls. The City of Milwaukee's Budget has experienced an ongoing imbalance between the increased annual costs of continuing baseline services and the lack of revenue growth to fund these services. Significant decreases in shared revenue and the anticipated pension funding contribution required by the City in 2010 represent serious challenges that we must face.

One of the strategies that will help the City address these challenges is to adjust 2009 expenditures with the implementation of mandatory furloughs for city employees and officials (including public officials appointed pursuant to section 62.51 of the state statutes, the Mayor, the members of the Common Council, and other elected officials). Under this initiative the City will shut down most of its facilities and operations on Thursday, July 2nd and Tuesday, September 8th and will implement a mandatory furlough for all furlough-eligible employees in accordance with Common Council Files #090043 and #090102.

Furlough-eligible functions have been identified by body of work. Most employees will be subject to the mandatory furlough on the days identified above while some employees will be subject to delayed-mandatory furloughs to be scheduled in two eight hour increments as determined by the department head by the end of the fiscal year.

The following assumptions were made in preparing this Policy/Guidance document:

- Applicable provisions of the Milwaukee Code of Ordinances Chapter 350, City Charter, and Rules of the Employee Retirement System Board as amended must be followed.
Note: the impact of mandatory furloughs upon represented employees' wages, hours, and conditions of employment is subject to impact bargaining with such employees' unions. To the extent the effects of mandatory furloughs upon benefits or other employment conditions are described in these Guidelines, such descriptions are subject to and may be modified or even nullified through the impact bargaining process. Should that process result in any changes to the content of these Guidelines as they apply to any group or groups of represented employees, prompt notice will be provided to all City Departments.
- Mandatory furloughs apply to all furlough-eligible positions pursuant to guidelines developed by the Department of Employee Relations and the Department of Administration-Budget and Management Division and contained within Common Council file #090043, Exhibit B-Summary of Operations Details.
- Employees will not be allowed to substitute paid leave for mandatory furlough time, except as otherwise provided for in MOUs between the City and its labor unions.
- The number and type of positions identified under each "furlough eligibility" category is subject to change based on business need and service delivery considerations in place during a mandatory furlough week.

This manual is intended to provide guidance to City managers, human resources practitioners and payroll staff in implementing the City's mandatory furlough initiative. This manual will be revised and updated as necessary. Such changes may include the incorporation of new policy direction, City of Milwaukee Ordinances or state and federal law.

DEFINITIONS

Cabinet Departments – departments under the direction of a public official appointed by the Mayor per provisions 62.51 of the Wisconsin State Statutes.

Non-Cabinet Departments – City Clerk's Office, City Attorney, City Treasurer, Comptroller, Municipal Court, Employee's Retirement System.

Protective Service Departments – the Milwaukee Police and Fire Departments.

Creditable Service – membership service for which credit is allowed under the City Charter for retirement purposes. The Pension Board determines how much service in any years is equivalent to one year of creditable service.

Delayed Mandatory Furlough – alternate time off without pay, taken in place of designated mandatory furlough time, on which a furlough-eligible employee is not scheduled to work.

FLSA-Exempt Employee – an individual designated by DER as being employed as bona fide executive, administrative, professional or computer employees, as defined by the Fair Labor Standards Act (FLSA). FLSA-exempt employees are paid on a "salary basis". This requires that the exempt employee receive his or her entire salary for any work week in which he or she performs any work.

FLSA-Non-Exempt Employee – an employee who is entitled to be paid for all actual hours that he/she is required or permitted to work, including overtime hours.

Furlough-Eligible – an employee or group of employees who occupy positions that have been identified as furlough-eligible and who are subject to mandatory furlough provisions applicable to his/her respective department and/or applicable MOU's between the City and its labor unions.

Furlough-Eligible/Must Report – an employee or group of employees who occupy positions that have been identified as furlough-eligible and who would normally be furloughed on the designated City mandatory furlough days, but are required to work because of business necessity. Employees who are furlough-eligible/must report will be required to serve 2 days of delayed mandatory furlough in increments of 8 hours to be scheduled in a manner to be determined by the department head before the end of the fiscal year.

Furlough-Ineligible – a position with assigned duties that must be performed on the scheduled mandatory furlough days. Employees occupying such positions are subject to working on the scheduled mandatory furlough days. Employees working in a mandatory furlough-ineligible position are not required to make up mandatory furlough days. These positions are identified taking into account public safety concerns, areas impacted by a significant staffing shortage, and/or other service delivery considerations.

I. APPLICABILITY

All city officials and most employees will be subject to mandatory furloughs as specified under 350-100 and 350-116 of the Milwaukee Code of Ordinances and Common Council File #090102-Attachment B-

Furlough Operation Details. This document contains a listing of furlough-eligible, furlough-eligible/must report, and furlough-ineligible positions. This listing is subject to change based on new policy direction and business and operational needs.

The implementation of mandatory furloughs across City departments is delineated below:

- 1.1 **CABINET DEPARTMENTS:** will comply with the mandatory furloughs scheduled for July 2, 2009 and September 8, 2009 for most employees. However, some employees staffing key functions will be required to work during the aforementioned days but will be scheduled for two mandatory furlough days as determined by the department head before the end of the fiscal year.
- 1.2 **NON-CABINET DEPARTMENTS:** retain the flexibility of determining when employees will be furloughed. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed mandatory furlough days for furlough-eligible employees. The mandatory furloughs must, however, be implemented in 8-hour increments before the end of the fiscal year. Most non-cabinet departments have indicated that they will comply with the City-wide shut down on July 2, 2009 and September 8, 2009. The Municipal Court has decided to schedule the second mandatory furlough day on Friday, September 4, 2009 to minimize disruption in operations.
- 1.3 **PROTECTIVE SERVICE DEPARTMENTS:** The Chief of Police and Fire Chief shall identify furlough-eligible and furlough-ineligible civilian and sworn personnel to be scheduled for two 8-hour time periods of mandatory furlough in a manner designed to minimize the disruption to department operations, maintain appropriate public safety/law enforcement resources and personnel, and avoid additional overtime or related expenditures.

II. PAY AND SALARY CONSIDERATIONS

- 2.1 Overtime and Compensatory Time
The terms and conditions describing overtime and compensatory time contained in collective bargaining agreements or the Milwaukee Code of Ordinances will continue to apply. Mandatory furloughs will not count as hours worked toward the overtime threshold. For daily overtime, collective bargaining agreements will prevail.
- 2.2 Working Additional Hours to Offset Loss of Pay
Overtime is not permitted for the purpose of making up mandatory furlough time. Making up mandatory furlough days does not achieve the savings expected with the implementation of this initiative.
- 2.3 Salary Anniversary Date/Salary Advancement Date
Will not be changed or adjusted as a result of the mandatory furlough. In determining the completion of each year of service, mandatory furlough time shall be regarded as being regularly at work and shall not count against salary advancement. Absences from work due to mandatory furloughs will not defer salary advancement under Part II, Section 2 of the Salary Ordinance.

III. BENEFIT CONSIDERATIONS

- 3.1 Benefits Service Date
An employee's benefits service date shall not be changed due to mandatory furlough days.

- 3.2 Health and Dental Insurance
Health and dental insurance benefits will be unaffected by the mandatory furloughs.
- 3.3 Health and Dental Insurance Premiums
If an employee's check for a pay period which contains a mandatory furlough day is not sufficient to cover a particular deduction *in its entirety*, the deduction will not be taken from that check, but will be deducted from the following paycheck. For example, limited benefit employees (LBE) pay a monthly premium for health insurance between \$138 and \$350 for single and between \$600 and \$817 for family health insurance coverage. If a LBE employee's net check for either mandatory furlough period is not large enough to cover the entire deduction and no deduction is taken that payroll period, the deduction will be taken from their next payroll check.
- 3.4 Holiday Pay
Employees on mandatory furlough shall be regarded as being regularly at work for purposes of Holiday Pay eligibility.
- 3.5 Life Insurance
Because the life insurance benefit amount is determined by base salary rates, and not actual wages paid, mandatory furloughs will not change the amount of the benefit. For determining group life insurance eligibility, mandatory furlough time shall be considered as time of active service on the payroll.
- 3.6 Long-Term Disability
Long-term disability benefits are based on the earnings in effect on an employee's last full day of work and are defined as the employee's average monthly rate of earnings during the preceding 12 calendar months or during the employee's period of employment of less than 12 calendar months. Mandatory furloughs will have no effect on the amount of a long-term disability benefit.
- 3.7 Retirement Benefits
The City is pursuing a change to Rule XV-A-2 to have mandatory furlough time not reduce a member's service credit. The City has also introduced an amendment to the Charter Ordinance that will ensure that mandatory furlough time will not affect a member's final average salary.
- 3.8 Recall/Call-in Pay
Recall/Call-in Pay will be administered in accordance with applicable labor agreements.
- 3.9 Recall Allowance (Fire Department)
An employee who separates from active service during a calendar year on account of voluntary resignation or normal service retirement shall receive recall pay prorated on the basis of active service during such calendar year, computed to the nearest month. In calculating the recall allowance, mandatory furlough time shall be considered as time of active service.
- 3.10 Sick Leave Accrual
An employee's eligibility to accrue sick leave will not be affected by the implementation of the mandatory furloughs.
- 3.11 Sick Leave Incentive
An employee's eligibility for a sick leave incentive control day or pay will not be affected by the implementation of mandatory furloughs.

- 3.12 Sick Leave Pay
Employees may not substitute paid sick leave for mandatory furlough days. Mandatory furlough days are not paid regardless of whether the benefits-eligible employee was on sick leave the day before, the day after, or on both sides of the mandatory furlough day. However, sick leave that is being used for absences related to a Worker's Compensation injury where the employee is still in a healing period will be provided by the City as paid leave for mandatory furlough days, but the employee will be required to observe alternate mandatory furlough day(s) upon return to service.
- 3.13 Travel and Training
Employees directed to attend a training or other educational meeting or program on a mandatory furlough day will be permitted to attend and will be paid for the hours attended. The balance of the furlough hours due will be scheduled in a manner determined by the department head.
- 3.14 Tuition Benefit
All courses for which tuition benefit has been approved during a mandatory furlough day must be attended on the employee's own time.
- 3.15 Unemployment Insurance
Eligibility for unemployment insurance benefits is determined by the state's Unemployment Compensation Division. In general, under the State of Wisconsin Unemployment Compensation Act (Wisconsin State Statute §§108.05(3)), partial unemployment benefits are sometimes payable to employees during periods of time when their hours are reduced. The partial unemployment compensation benefit associated with an eight-hour furlough is zero for employees whose annualized base period wages fall somewhere between \$35,000 and \$40,000, and remains zero for all employees making more than that amount.
- 3.16 Uniform and Clothing Allowance
Time spent on mandatory furloughs will not count against an employee's eligibility for uniform and clothing allowance.
- 3.17 Vacation
In calculating vacation eligibility and accrual, mandatory furlough time shall be considered as time of active service. Vacation days may not be substituted for furlough days except as otherwise provided for in MOU's between the City and its labor unions.
- 3.18 Variable Shift Assignment Pay (Police Department)
In determining whether an employee is covered by this section for any given month the time of mandatory furlough shall be considered as time of active service.
- 3.19 Worker's Compensation/Injury Pay/Sick Leave in lieu of Injury Pay
Under Wisconsin's Worker's Compensation Law, the City must pay temporary disability benefits for the period of time during which an employee is within the healing period for a work-related injury and sustains an actual wage loss. By ordinance, the City pays injury pay "in lieu of" temporary disability benefits payable under Worker's Compensation. The City is required to pay temporary disability benefits or injury pay benefits for specified mandatory furlough days if the employee is entitled to temporary disability benefits under the Worker's Compensation Act. Also, in situations where the employee has exhausted injury pay benefits, the employee will be allowed to use paid sick leave for specified mandatory furlough days that occur during the employee's healing period. These employees will be required to observe alternate mandatory furlough day(s) when they return to service.

IV. HOURS OF WORK /ALTERNATIVE WORK SCHEDULE CONSIDERATIONS

4.1 Alternative Work Schedules (AWS)

Individuals working an alternative workweek whose schedule calls for reduced hours on a normally scheduled, mandatory furlough day, have the same mandatory furlough requirements as all other employees. Non-represented employees may revert back to a regular 5-day, 8 hrs/day work week for the week involving a mandatory furlough. Represented employees will comply with mandatory furlough requirements in accordance with provisions of labor contracts or applicable MOU's. Employees working an alternative work schedule who have a normal day off on a scheduled furlough day must observe an alternative mandatory furlough day.

4.2 Part-time Employment

Part-time employees will observe the mandatory furlough time on a prorated basis according to their Full Time Equivalent (FTE) status.

Part-time employees scheduled to work 8 hours on a mandatory furlough day: The employee will be furloughed the number of hours equivalent to their FTE status. The balance of hours that would have been scheduled on that day can be made up at a later time to be scheduled at the department's discretion before the end of the fiscal year.

Part-time employees NOT scheduled to work on a mandatory furlough day: The employee will observe a furlough day on an alternate date. The number of hours furloughed will be the equivalent to their full time FTE hours. This mandatory furlough date will be scheduled at the department's discretion before the end of the fiscal year.

4.3 Flexible Schedule-Employees in the Management Pay Plan

Employees excluded from the provision of s. 350-5 of the Milwaukee Code of Ordinances (Exclusion from Overtime) in salary grades 004 and above may, upon department head approval, work on a flexible schedule, so that the daily work schedule may be adjusted from time to time as necessary and appropriate to fulfill assigned duties and responsibilities. Such adjustments may include starting and quitting times that are earlier or later than established in the normal work schedule of the department, and may include more or less than eight hours in any particular day and more or less than forty hours in any particular week unless subject to the conditions of a mandatory furlough. Employees in positions regularly excluded from overtime may be temporarily limited to working 8 hours per day during the week of a mandatory furlough unless specifically authorized by the Department Head.

V. ADMINISTRATION OF LEAVE BENEFITS

General Rule: Employees may not use paid leave during mandatory furlough periods, except as allowed under applicable MOUs between the City and labor unions.

5.1 FMLA

Mandatory furlough days do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Mandatory furlough days do not impact an employee's benefits or job assignment, therefore, employees on FMLA, with paid substitution, will observe the mandatory furlough days during their FMLA leave. However, employees may be able to extend their FMLA leave by the number of mandatory furlough days they are required to take during their FMLA leave.

Whether an employee's FMLA leave would be extended is dependent on the individual employee's specific circumstances. Therefore, it is recommended that should this situation occur; please contact the City Attorney's Office with questions.

Mandatory furlough days are considered to be regular days off and should not be counted when calculating leave eligibility. For example, when calculating whether the employee worked 1,250 hours in the previous 12 months under FMLA, mandatory furlough days are not counted as earned hours or days worked. In contrast, when calculating whether the employee has been employed by the City for at least 12 months, a week in which a mandatory furlough occurs would be counted as one week of service.

5.2 Funeral leave

Employees eligible for funeral leave during a mandatory furlough day will follow the provisions as set forth in Chapter 350, Subsection 4, "Leaves of Absence" of the City of Milwaukee Code of Ordinances. Employees taking Funeral Leave that falls on a mandatory furlough day will be required to take the mandatory furlough day at a later date to be scheduled in a manner determined by the department head in increments of 8 hours.

5.3 Jury Duty/Court Subpoena

If an employee is called to Jury Duty on a mandatory furlough day, the employee will not be paid by the City of Milwaukee for that day. Since the mandatory furlough day is considered an unpaid day, the employee will be allowed to accept the jury duty pay provided by the court during any designated mandatory furlough day. In addition, employees who are under a subpoena to appear in court during a mandatory furlough day will be allowed to keep compensation received for appearing, but will not receive City pay for that day.

5.4 Military Leave of Absence

Leaves of Absence for Military Training and Civil Disturbances (Short Term Military Leave) – Employees who are on a short term military leave for training or civil disturbance during a mandatory furlough day or period will receive compensation in accordance with Chapter 350-36 and applicable labor contracts. The employee will be required to take a delayed, mandatory furlough day upon return from short term military leave to be approved in a manner determined by the department head.

Military Leave of Absence (Long Term Military Leave) – Employees who are on a long term military leave during a mandatory furlough day or period will not be required to take a delayed, mandatory furlough day upon return from military leave.

5.5 Military Funerals

Employees who are eligible to take a leave of absence to attend military funerals will be compensated in accordance with Chapter 350-36 and applicable labor contracts if they take a leave of absence on a mandatory furlough day to attend a military funeral. Such employees will be required to take a delayed, mandatory furlough day to be approved in a manner determined by the department head.

5.6 Military Induction Examinations

Employees who are required to take military induction examinations during a mandatory furlough day will be paid in accordance with Chapter 350-36 and applicable labor contracts. Such employees will be required to take a delayed, mandatory furlough day to be approved in a manner determined by the department head.

5.7 Leave accrual dates

A mandatory furlough does not impact leave accrual dates.

5.8 Return from authorized Layoff or Leave

The intent to not reduce the pay rate or range of any officer or employee or of any officer or employee returning to City service from a duly authorized layoff or leave of absence is subject to the terms of a mandatory furlough.

5.9 Unpaid Leave of Absence

If an employee is already in an unpaid leave status at the time they are designated for mandatory furlough, they will not have to take an alternative mandatory furlough date unless the furlough action is extended beyond their return date.

VI. RECORDKEEPING AND PAYROLL CONSIDERATIONS

6.1 FLSA Requirements

Accurate time records must be kept for FLSA non-exempt employees during any week in which such employees receive a mandatory furlough day. During any week in which an employee who would otherwise be exempt from the overtime provisions of the FLSA receives a mandatory furlough day, the employee is deemed under FLSA regulations to lose his or her exempt status and would, therefore, be entitled to overtime if he or she works more than 40 hours in the week. Under the FLSA, an accurate record must be kept for all hours worked in a work week by all FLSA non-exempt employees. Accordingly, such records must be kept for otherwise exempt employees during any work week in which they receive a mandatory furlough day. The records to be kept for such employees, and all other non-exempt employees as well, during weeks in which they receive a mandatory furlough day are described below.

Records-keeping for all employees during work weeks in which they receive a mandatory furlough day. Record-keeping requirements for employees during work weeks in which a mandatory furlough day is taken differ slightly from the requirements during non-furlough weeks. During a work week in which a mandatory furlough is taken, each employee's time must be entered on the City's time-entry system under pay code 077; hours spent during that week on mandatory furlough must be recorded on the time-entry system under the pay code FRL. In addition, during any week in which an employee receives a mandatory furlough day, the employee must also record all time (paid and unpaid) for the week on a paper time reporting form, which will be made available to payroll clerks and on the MINT.

6.2 Record Retention Requirements

All time records for otherwise exempt employees during mandatory furlough weeks should be retained by payroll personnel for at least three years.

VII. GENERAL CONSIDERATIONS

7.1 Administrative hearings- employees scheduled to attend administrative hearings will be compensated for their time but will be subject to a delayed mandatory furlough to be scheduled in a manner determined by the department head.

7.2 Disciplinary Suspensions

Employees may not count unpaid suspensions imposed for disciplinary reasons as a mandatory furlough day.

7.3 Emergency Procedures

In those cases where an emergency call out occurs on a mandatory furlough day or during a mandatory furlough week, employees may be called back to work. Such employees are compensated in accordance with standard compensation procedures and applicable collective bargaining agreements.

7.4 Employees On Call or On Standby Who are Called Back to Work – Represented

Employees who are represented by a union, and who are on call or stand-by will be compensated in accordance with applicable labor agreements if they are called back to work on the day of a mandatory furlough.

7.5 Non-Scheduled Call Back

Employees in a Furlough-eligible position may be called back to work on a designated mandatory furlough day even though they were not on call or on standby and did not necessarily expect to be called back to work.

Represented employees – If, due to an emergency, a represented employee in a furlough-eligible or furlough eligible/direct report position is called back to work on a designated mandatory furlough day, the terms and conditions of the applicable collective bargaining agreements will be followed with respect to pay. The employee will not be subject to delayed, mandatory furlough time.

Non-represented employees– If, due to an emergency, a non-represented employee in a furlough-eligible or furlough eligible/must report position is called back to work on a designated mandatory furlough day, the employee will be paid for actual hours worked and will not be subject to delayed, mandatory furlough time.

7.6 Probationary period

With the implementation of mandatory furloughs, probationary periods will not change.

7.7 Seniority Date

Mandatory furloughs do not constitute a break in service; therefore, there will be no adjustment to an employee's seniority date.

7.8 Volunteer work – mandatory furloughed employees may not volunteer to do what the City otherwise pays employees to do.

INDEX

Administrative Hearings	10
Alternative Work Schedules (AWS).....	8
Benefits Service Date.....	5
Cabinet Departments.....	5
Disciplinary Suspensions	10
Emergency Procedures.....	11
Employees on Call or on Standby who are Called Back to Work – Represented.....	11
Flexible Schedule-Employees in the Management Pay Plan.....	8
FLSA Requirements.....	10
FMLA	8
Funeral Leave.....	9
Health and Dental Insurance	6
Health and Dental Insurance Premiums	6
Holiday Pay.....	6
Jury Duty/Court Subpoena.....	9
Leave Accrual Dates	10
Life Insurance	6
Long-Term Disability	6
Military Funerals.....	9
Military Induction Examinations	9
Military Leave of Absence.....	9
Non-Cabinet Departments	5
Non-Scheduled Call Back.....	11
Overtime and Compensatory Time	5
Part-time Employment	8
Probationary Period	11
Protective Service Departments	5
Recall Allowance (Fire Department)	6
Recall/Call-In Pay	6
Record Retention Requirements	10
Retirement Benefits	6
Return from Authorized Layoff or Leave	10
Salary Anniversary Date/Salary Advancement Date	5
Seniority Date	11
Sick Leave Accrual.....	6
Sick Leave Incentive.....	6
Sick Leave Pay.....	7
Travel and Training.....	7
Tuition Benefit	7
Unemployment Insurance	7
Uniform and Clothing Allowance.....	7
Unpaid Leave of Absence	10
Vacation	7
Variable Shift Assignment Pay (Police Department).....	7
Volunteer Work	11
Worker’s Compensation/Injury Pay/Sick Leave in Lieu of Injury Pay	7
Working Additional Hours to Offset Loss of Pay.....	5



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 090183

File ID: 090183

Type: Charter Ordinance

Status: In Committee

Version: 1

Reference:

Controlling Body: FINANCE &
PERSONNEL
COMMITTEE

Requester:

Cost:

File Created: 05/27/2009

File Name:

Final Action:

Title: A substitute charter ordinance relating to the allowance of creditable service as it pertains to mandatory furloughs.

Notes:

Code Sections:

Agenda Date:

Indexes: CHARTER ORDINANCES, WAGES AND
BENEFITS

Agenda Number:

Sponsors: Ald. Hines Jr.

Enactment Date:

Attachments: Cover letter from Dept of Employee Relations ,Fiscal
note ,Hearing Notice List

Enactment Number:

Drafter: jro

Effective Date:

Contact:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	05/27/2009	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE			
	Action Text:	This Charter Ordinance was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE					
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		
0	FINANCE & PERSONNEL COMMITTEE	06/08/2009	HEARING NOTICES SENT		06/15/2009		
1	CITY CLERK	06/11/2009	DRAFT SUBMITTED				
	Action Text:	This Charter Ordinance was DRAFT SUBMITTED					
0	FINANCE & PERSONNEL COMMITTEE	06/15/2009					
0	COMMON COUNCIL	06/16/2009					

Text of Legislative File 090183

..Number
090183
..Version
SUBSTITUTE 1
..Reference

..Sponsor
ALD. HINES
..Title

A substitute charter ordinance relating to the allowance of creditable service as it pertains to mandatory furloughs.

..Sections
36-02-12-a am
36-04-1-e cr

..Analysis
This charter ordinance authorizes the annuity and pension board to allow as creditable service periods of unpaid time as necessitated by furloughs by the city or city agencies.

..Body
The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 36-02-12-a of the city charter is amended to read:

36-02. Definitions.

12. EARNABLE COMPENSATION shall mean:

a. The annual regular base salary that would be payable to a member if he or she worked the full normal working time for his or her position, provided, however, that where service is credited during periods of absences as provided in s. 36-04-1-b >>and e <<, the employe shall be considered to have an earnable compensation during such periods of absence equivalent to the earnable compensation the employe would have had if the employe had continued to work the full working time for the employe's position during the period of absence. In cases where compensation includes maintenance, the board shall fix the value of that part of the compensation not payable in money. Policemen, excluding sergeant of police, detective lieutenant and ranks above same, retiring on a service retirement allowance on or after January 1, 1983, shall have longevity in rank pay, if any, payable at the close of the calendar year immediately preceding their retirement included as earnable compensation, except that policemen excluding sergeant of police, detective lieutenant and ranks above same, retiring on a service retirement allowance on or after January 1, 1998, who would have accrued 20 years of creditable service if they had remained in active service to the end of the calendar year in which they retire, shall have longevity in rank pay, if any, that would have been payable at the close of the calendar year of their retirement had they not retired included as earnable compensation, policemen of the rank of police sergeant and above (excluding the rank of commander and above) retiring on a service retirement allowance prior to January 1, 2000 shall have variable shift assignment pay, if any, to a maximum of \$1,410 per calendar year for police sergeant, administrative police sergeant, police sergeant (garage) and police identification supervisor, and \$1,400 per calendar year for all others payable for the calendar year immediately preceding the calendar year in which they retire included as earnable compensation except that such other policemen who retire during calendar year 1985 shall have variable shift assignment pay, if any, payable for calendar year 1985 included as earnable compensation. Policemen of the rank of police sergeant and above (excluding policemen of the rank of police commander and above) retiring on a service retirement on or after January 1, 2000 shall have variable shift assignment pay, if any, to a maximum of \$1,060 per calendar year for the ranks of police sergeant, police sergeant (garage) and police identification supervisor and \$1,050 per calendar year for all others payable for the calendar year immediately preceding the calendar year in which they retire included as earnable compensation. Policemen of the rank of police sergeant or administrative police sergeant retiring on a service retirement on or after January 1, 2003 shall have variable shift assignment pay, if any, to maximum of \$1,360 per calendar year included in the calculation of final average salary for computing an employe's normal service retirement allowance. Policemen of the rank of police commander or above retiring on a service retirement allowance prior to January 1, 2001 shall have variable shift assignment pay, if any, to a maximum of \$1,400 per calendar year for the year immediately prior to the calendar year in which they retire included as earnable compensation and policemen of the rank of police commander or above retiring on a service retirement on or after January

1, 2001 shall have variable shift assignment pay, if any, to a maximum of \$1,500 per calendar year for the year immediately prior to the calendar year in which they retire included as earnable compensation. Firemen retiring on a service retirement allowance on or after January 1, 1992, shall have up to a maximum of \$550 in special emergency medical technician pay, if any, payable at the close of the calendar year immediately preceding their retirement included as earnable compensation. Firemen retiring on a service retirement allowance on or after January 1, 2000, shall have longevity pay, payable at the close of the calendar year immediately preceding their retirement included as earnable compensation. Firemen represented by Local 215 IAFF and retiring on a service retirement allowance in 2004 shall have training standards pay, if any, up to a maximum of \$400, that would have been payable at the close of calendar year 2004 had they not retired, included as earnable compensation. Firemen represented by Local 215 IAFF and retiring on a service retirement allowance on or after January 1, 2005 shall have training standards pay, if any, up to a maximum of \$400 received for the calendar year immediately preceding the calendar year of their retirement, included as earnable compensation. Firemen represented by Local 215 IAFF and retiring on a service retirement allowance on or after January 1, 2006 shall have EMT II premium pay, if any, up to a maximum of \$1000 received for the calendar year immediately preceding the calendar year of their retirement, included as earnable compensation. Members who are employees of the school board represented by Local 950, Operating Engineers International Union, who retire on or after March 4, 1990, shall have site differential pay if received on or after March 4, 1990, included as earnable compensation. Earnable compensation for any one year of creditable service shall not exceed \$150,000. If for any calendar year after 1994 the excess of \$150,000 increased by the cost of living adjustment prescribed by section 415(d), Internal Revenue Code, on a base period of the last quarter of calendar year 1993 exceeds \$150,000 by an amount in excess of \$10,000, the maximum for any subsequent calendar year shall be increased by the amount of the excess rounded to the next lowest multiple of \$10,000. Earnable compensation for any calendar year commencing on or after January 1, 2002 shall not exceed \$200,000, as adjusted for cost of living increases in accordance with section 401(a)(17)(B) of the Internal Revenue Code. Earnable compensation means compensation during the calendar year or such other consecutive 12-month period over which earnable compensation is otherwise determined by the retirement system (the determination period). The cost of living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year.

Part 2. Section 36-04-1-e of the city charter is created to read:

36-04. Creditable Service.

1. SERVICE CREDITED.

e. The board shall allow as creditable service periods of unpaid time as necessitated by furloughs mandated by the city or city agencies, subject to the limitations of par. a.

Part 3 . This is a charter ordinance and shall take effect 60 days after its passage and publication, unless within such 60 days a referendum petition is filed as provided in s. 66.0101(5), Wis. Stats., in which event this ordinance shall not take effect until submitted to a referendum and approved by a majority of the electors voting thereon.

..LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

..Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

..Requestor

..Drafter

LRB 09245-1

BJZ:lp

6/8/09



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits
Director

Troy Hamblin
Labor Negotiator

June 11, 2009

To the Honorable
Members of the Common Council
City of Milwaukee

Dear Honorable Members;

Common Council File #090043 includes a resolution approving a 2009 Budget Management Plan authorizing the implementation of two mandatory furlough days for city officials and most city employees as one of the measures to adjust 2009 expenditures and plan for the 2010 City Budget given the City's fiscal challenges. Common Council File #090102 is an ordinance relating to the implementation of mandatory furloughs per the aforementioned resolution.

The decision to recommend mandatory furloughs included a careful analysis of how to implement this initiative in a manner that would minimize the impact on employee benefits and the disruption of City services. This analysis included an assessment of the impact of mandatory furloughs on several important areas including operations, grants, service delivery, and unemployment insurance liability.

While several alternatives were considered, it was determined that the most efficient way to implement two mandatory furlough days between now and the end of the fiscal year was to schedule them for most City departments at once during a holiday week. Departments, however, have the flexibility to staff essential services and operations during the mandatory furlough days and schedule those employees for furlough time before the end of the year. The implementation of mandatory furloughs for most employees at the same time has the advantage of ease of administration, more effective messaging to residents, and additional savings achieved from closed facilities.

Two mandatory furlough days have been identified – July 2, 2009 and September 8, 2009. All city officials and most employees will be furloughed, essentially shutting down most City operations. Exhibit B, attached to Common Council file #090043, Budget Management Plan, summarizes operational details associated with the implementation of mandatory furloughs across City departments. The number and type of positions identified under each “furlough-eligibility” category is subject to change based on business need and service delivery considerations or provisions of Memorandum of Understanding (MOU) between the City and its labor unions.

One of the key considerations in making the decision to recommend mandatory furloughs was to eliminate or minimize the impact of mandatory furlough time on employee benefits that are based on payroll status, including but not limited to vacation, sick leave, sick leave incentive and service credit for retirement purposes. Council File #090102 includes changes to the Milwaukee Code of Ordinances, Council File #090183 includes changes to the City Charter, and Council File #081192 includes changes to the Salary Ordinance to achieve this purpose.

It is important to note, however, that for represented employees, the impact or effects of mandatory furloughs upon such benefits, and upon wages, hours, and conditions of employment generally, are ultimately subject to bargaining between the City and the unions representing these employees. It is anticipated, however, that the goal of minimizing the impact of mandatory furloughs upon employee benefits is one that will be shared by the City and its unions.

The document “Mandatory Furlough Policy and Administrative Guidelines” has been developed by the Department of Employee Relations and is attached to this file. This document will provide guidance to City managers, human resources practitioners and payroll staff in implementing the City’s mandatory furlough initiative. This manual also answers important employment related questions and considerations that many employees will have.

Respectfully submitted,

Maria Monteagudo
Employee Relations Director

C: Mark Nicolini
Patrick Curley
Troy Hamblin

CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** June 11, 2009

FILE NUMBER: 090183

Original Fiscal Note Substitute

SUBJECT: Impact of Mandatory Furloughs on Pension Benefits

B) **SUBMITTED BY (Name/title/dept./ext.):** Maria Monteagudo, Employee Relations, 3335

C) **CHECK ONE:** ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) **CHARGE TO:** DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS

G) **LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:**

H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**
 Recommended Charter Ordinance changes will prevent impact of mandatory furlough time on service credit for retirement purposes.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Master

File Number: 081192

File ID: 081192

Type: Ordinance

Status: In Council-Passage

Version: 2

Reference: 080521

Controlling Body: FINANCE &
PERSONNEL
COMMITTEE

Requester:

Cost:

File Created: 12/16/2008

File Name:

Final Action:

Title: A substitute ordinance to further amend the 2009 rates of pay of offices and positions in the City Service.

Notes: See files 090043, 090102 and 090191 for attachments.

Code Sections:

Agenda Date:

Indexes: SALARY ORDINANCE

Agenda Number:

Sponsors: THE CHAIR

Enactment Date:

Attachments: Cover letter from Dept of Employee Relations regarding Mandatory furlough days ,Proposed Substitute A

Enactment Number:

Drafter: tjm

Effective Date:

Contact:

Extra Date 2:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	COMMON COUNCIL	12/16/2008	ASSIGNED TO	FINANCE & PERSONNEL COMMITTEE			
	Action Text:	This Ordinance was ASSIGNED TO to the FINANCE & PERSONNEL COMMITTEE					
0	FINANCE & PERSONNEL COMMITTEE	02/04/2009	HELD TO CALL OF THE CHAIR				Pass
	Action Text:	A motion was made by ALD. COGGS that this Ordinance be HELD TO CALL OF THE CHAIR. The motion PREVAILED by the following vote:					
Mover:	ALD. COGGS		Aye:4 - Murphy, Bauman, Coggs, and Kovac No:0 Excused:1 - Dudzik				4-0-1
0	FINANCE & PERSONNEL COMMITTEE	06/05/2009	HEARING NOTICES SENT		06/10/2009		
1	CITY CLERK	06/05/2009	DRAFT SUBMITTED				
	Action Text:	This Ordinance was DRAFT SUBMITTED					

1	FINANCE & PERSONNEL COMMITTEE	06/10/2009	AMENDED	Pass
	Action Text:	A motion was made by ALD. DUDZIK that this Ordinance be AMENDED. The motion PREVAILED by the following vote:		
	Notes:	<i>Ald. Dudzik moved to amend the this file by adding the following:</i> <i>Under Salary Grade 016, delete the title "Environmental Services Superintendent."</i>		
Mover:	ALD. DUDZIK	Aye:4 - Murphy, Dudzik, Coggs, and Kovac No:1 - Bauman		4-1
2	FINANCE & PERSONNEL COMMITTEE	06/10/2009	RECOMMENDED FOR PASSAGE	Pass
	Action Text:	A motion was made by ALD. DUDZIK that this Ordinance be RECOMMENDED FOR PASSAGE. The motion PREVAILED by the following vote:		
	Notes:	<i>As amended.</i>		
Mover:	ALD. DUDZIK	Aye:5 - Murphy, Bauman, Dudzik, Coggs, and Kovac No:0		5-0
2	CITY CLERK	06/10/2009	DRAFT SUBMITTED	
	Action Text:	This Ordinance was DRAFT SUBMITTED		
0	FINANCE & PERSONNEL COMMITTEE	06/15/2009		
2	COMMON COUNCIL	06/16/2009		

Text of Legislative File 081192

..Number

081192

..Version

Substitute 2

..Reference

080521

..Sponsor

THE CHAIR

..Title

A substitute ordinance to further amend the 2009 rates of pay of offices and positions in the City Service.

..Analysis

This substitute ordinance changes the rates of pay in the following departments:

Library and Department of Public Works, Operations Division

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 2 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Salary Grade 016, delete the title "Environmental Services Superintendent."

Part 2. Section 5 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective June 8, 2009):

Under Pay Range 406, delete the footnote designation "1/" after the title "Library Circulation Assistant I" and delete footnote "1/" in its entirety.

Part 3. Section 16a of ordinance File Number 080521 relative to rates of pay of offices and positions in

the City Service is hereby amended as follows (Effective June 8, 2009):

Under Pay Range 750 add the footnote designation "6/" after the title "Operations Driver/Worker" and add footnote 6/ to read as follows: "6/ Effective June 8, 2009, one position held by Ken Wischer, in the Milwaukee Department of Public Works, to be paid at rates consistent with Pay Range 936 while performing contract administrator duties."

Part 4. Section 23 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective June 8, 2009):

Delete Pay Range 936 in its entirety and replace with the following:

Pay Range 936
Official Biweekly Rates
\$1,903.85

District Council 48 Contract Administrator

Part 5. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

Part 6. The provisions of Part 2, 3 and 4 this ordinance are deemed to have been in force and effect from and after June 8, 2009.

The provisions of all other parts of this ordinance are deemed to be in force and effect from and after its passage and publication.

Part 7. This ordinance will take effect and be in force from and after its passage and publication.

..Drafter
City Clerk's Office
TJM
6/10/09



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits
Director

Troy Hamblin
Labor Negotiator

June 11, 2009

To the Honorable
Members of the Common Council
City of Milwaukee

Dear Honorable Members;

Common Council File #090043 includes a resolution approving a 2009 Budget Management Plan authorizing the implementation of two mandatory furlough days for city officials and most city employees as one of the measures to adjust 2009 expenditures and plan for the 2010 City Budget given the City's fiscal challenges. Common Council File #090102 is an ordinance relating to the implementation of mandatory furloughs per the aforementioned resolution.

The decision to recommend mandatory furloughs included a careful analysis of how to implement this initiative in a manner that would minimize the impact on employee benefits and the disruption of City services. This analysis included an assessment of the impact of mandatory furloughs on several important areas including operations, grants, service delivery, and unemployment insurance liability.

While several alternatives were considered, it was determined that the most efficient way to implement two mandatory furlough days between now and the end of the fiscal year was to schedule them for most City departments at once during a holiday week. Departments, however, have the flexibility to staff essential services and operations during the mandatory furlough days and schedule those employees for furlough time before the end of the year. The implementation of mandatory furloughs for most employees at the same time has the advantage of ease of administration, more effective messaging to residents, and additional savings achieved from closed facilities.

Two mandatory furlough days have been identified – July 2, 2009 and September 8, 2009. All city officials and most employees will be furloughed, essentially shutting down most City operations. Exhibit B, attached to Common Council file #090043, Budget Management Plan, summarizes operational details associated with the implementation of mandatory furloughs across City departments. The number and type of positions identified under each “furlough-eligibility” category is subject to change based on business need and service delivery considerations or provisions of Memorandum of Understanding (MOU) between the City and its labor unions.

One of the key considerations in making the decision to recommend mandatory furloughs was to eliminate or minimize the impact of mandatory furlough time on employee benefits that are based on payroll status, including but not limited to vacation, sick leave, sick leave incentive and service credit for retirement purposes. Council File #090102 includes changes to the Milwaukee Code of Ordinances, Council File #090183 includes changes to the City Charter, and Council File #081192 includes changes to the Salary Ordinance to achieve this purpose.

It is important to note, however, that for represented employees, the impact or effects of mandatory furloughs upon such benefits, and upon wages, hours, and conditions of employment generally, are ultimately subject to bargaining between the City and the unions representing these employees. It is anticipated, however, that the goal of minimizing the impact of mandatory furloughs upon employee benefits is one that will be shared by the City and its unions.

The document “Mandatory Furlough Policy and Administrative Guidelines” has been developed by the Department of Employee Relations and is attached to this file. This document will provide guidance to City managers, human resources practitioners and payroll staff in implementing the City’s mandatory furlough initiative. This manual also answers important employment related questions and considerations that many employees will have.

Respectfully submitted,

Maria Monteagudo
Employee Relations Director

C: Mark Nicolini
Patrick Curley
Troy Hamblin

To implement changes regarding mandatory furloughs the following amendments to the Salary Ordinance are required:

In the Salary Ordinance, under Part II, Section 2 Appointments, Salary Advancement, Salary Advancement Dates, Salary Advancement-Nonmanagement employees: add the following sentence at the end of the paragraph “In determining the completion of each year of service, mandatory furlough time shall be regarded as being regularly at work and shall not count against salary advancement.”

Under Timing of Salary Advancement – Nonmanagement Employees: delete the sentence “Absence or absences from work without pay, for any cause for 10 or more work days in the aggregate shall defer salary advancement for one additional pay period for each such 10 days’ absence.” and substitute the following sentence “Absence or absences from work without pay, for any cause, except mandatory furloughs, for 10 or more work days in the aggregate shall defer salary advancement for one additional pay period for each such 10 days’ absence.”

Under Section 5, Holiday Pay: delete the following sentence “An employee who is on sick leave with pay or on vacation with pay shall be regarded as being regularly at work for purposes of interpreting this paragraph.” and substitute the following sentence “An employee who is on sick leave with pay, on vacation with pay, or on mandatory furlough, shall be regarded as being regularly at work for purposes of interpreting this paragraph.”

Under Section 9, Return from Authorized Layoff or Leave: delete the “.” at the end of the sentence and add the following phrase “unless subject to the terms of a mandatory furlough.”

Under Section 12 Management Pay Plan, f. Promotion, (3) Salary Anniversary Date: add the following sentence at the end of the paragraph “Mandatory furlough time shall be regarded as being regularly at work and not adversely affect the manager’s salary anniversary date.”

..Number

081192

..Version

Proposed Substitute A

..Reference

080521

..Sponsor

THE CHAIR

..Title

A substitute ordinance to further amend the 2009 rates of pay of offices and positions in the City Service.

..Analysis

This substitute ordinance changes the rates of pay in the following departments:

All Departments, Library and Department of Public Works, Operations Division

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 2 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Salary Grade 016, delete the title "Environmental Services Superintendent."

Part 2. Section 5 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective June 8, 2009):

Under Pay Range 406, delete the footnote designation "1/" after the title "Library Circulation Assistant I" and delete footnote "1/" in its entirety.

Part 3. Section 16a of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective June 8, 2009):

Under Pay Range 750 add the footnote designation "6/" after the title "Operations Driver/Worker" and add footnote 6/ to read as follows: "6/ Effective June 8, 2009, one position held by Ken Wischer, in the Milwaukee Department of Public Works, to be paid at rates consistent with Pay Range 936 while performing contract administrator duties."

Part 4. Section 23 of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective June 8, 2009):

Delete Pay Range 936 in its entirety and replace with the following:

Pay Range 936

Official Biweekly Rates

\$1,903.85

District Council 48 Contract Administrator

Part 5. Part II of ordinance File Number 080521 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Section 2 Appointments, Salary Advancement, Salary Advancement Dates, Salary Advancement-Nonmanagement employees: add the following sentence at the end of the paragraph “In determining the completion of each year of service, mandatory furlough time shall be regarded as being regularly at work and shall not count against salary advancement.”

Under Timing of Salary Advancement – Nonmanagement Employees: delete the sentence “Absence or absences from work without pay, for any cause for 10 or more work days in the aggregate shall defer salary advancement for one additional pay period for each such 10 days’ absence.” and substitute the following sentence “Absence or absences from work without pay, for any cause, except mandatory furloughs, for 10 or more work days in the aggregate shall defer salary advancement for one additional pay period for each such 10 days’ absence.”

Under Section 5, Holiday Pay: delete the following sentence “An employee who is on sick leave with pay or on vacation with pay shall be regarded as being regularly at work for purposes of interpreting this paragraph.” and substitute the following sentence “An employee who is on sick leave with pay, on vacation with pay, or on mandatory furlough, shall be regarded as being regularly at work for purposes of interpreting this paragraph.”

Under Section 9, Return from Authorized Layoff or Leave: delete the “.” at the end of the sentence and add the following phrase “unless subject to the terms of a mandatory furlough.”

Under Section 12 Management Pay Plan, f. Promotion, (3) Salary Anniversary Date: add the following sentence at the end of the paragraph “Mandatory furlough time shall be regarded as being regularly at work and not adversely affect the manager’s salary anniversary date.”

Part 6. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

Part 7. The provisions of Part 2, 3 and 4 this ordinance are deemed to have been in force and effect from and after June 8, 2009.

The provisions of all other parts of this ordinance are deemed to be in force and effect from and after its passage and publication.

Part 8. This ordinance will take effect and be in force from and after its passage and publication.

..Drafter
City Clerk's Office
TJM
6/15/09