



Department of Employee Relations

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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,

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