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ORIGINAL

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Resolution relating to creation of an Early Warning Network to prevent layoffs, job elimination and plant closings in Milwaukee.
- Analysis -

This resolution authorizes and directs the Department of City Development-Economic Development Division to work with the Milwaukee County Labor Council, the Wisconsin State AFL-CIO and other State of Wisconsin, Milwaukee County, business and labor agencies and organizations to develop and implement an "Early Warning Network" for Milwaukee. An Early Warning Network uses employe knowledge of internal workplace conditions, along with analysis of public information about employers (e.g., annual reports to stockholders, trade journals and credit reports), to identify and address problems within a business that could lead to job losses or the closing of a facility before the employer makes a decision to eliminate jobs or close the plant.

Whereas, The Calumet Project for Industrial Jobs, a labor-community coalition in northwest Indiana, has successfully used an approach known as the "Early Warning Network" to prevent layoffs, job cuts and plant closings in that region; and

Whereas, Early Warning systems have also been developed and implemented in Chicago, Massachusetts and western New York State; and

Whereas, The basic philosophy of the Early Warning approach is to prevent or minimize layoffs, business closings and business relocations by using worker monitoring of workplace conditions and analysis of public information (e.g., stock reports, trade journals) to identify and address problems within a business (e.g., poor management, shrinking market for a product line, lack of investment in plant and equipment) that could lead to layoffs, closing or relocation well in advance of the point at which the business decides it has to take one of these actions; and

Whereas, According to an official with the Calumet Project, over 90% of business closings are due to conditions that can be avoided or mitigated, such as disinvestment, aging owners, consolidations and corporate restructuring, thus pointing to the usefulness of an Early Warning system; and

Whereas, All successful efforts at preventing plant closings have benefitted from some sort of Early Warning system; and

Whereas, When an Early Warning system is used, workers have an opportunity to avoid layoffs or plant closure by pursuing alternatives to such actions, instead of simply making a last-minute response to an announcement that jobs will be cut or the plant closed (e.g., offering concessions, negotiating for job-retraining assistance); and

Whereas, For the past 2 decades, the Milwaukee area has been devastated by plant closings and dramatic employment reductions among its many of its major employers, particularly in the manufacturing sector; and

Whereas, Milwaukee could benefit from implementation of an Early Warning system to prevent continued erosion of its manufacturing employment base; and

Whereas, While Department of City Development staff currently make periodic calls on local businesses to discuss the concerns of these businesses and to learn of any plans they may have to add or eliminate jobs, the City needs to supplement the information collected from these calls with worker-based monitoring of workplace trends and with careful analysis of public information about local employers; and

Whereas, Implementation of an Early Warning system could also benefit the City of Milwaukee by providing information about, and ongoing monitoring of, companies which request economic development assistance from the City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of City Development- Economic Development Division is authorized and directed to work with the Milwaukee County Labor Council, the Wisconsin State AFL-CIO and other State of Wisconsin, Milwaukee County, business and labor agencies and organizations to develop and implement an Early Warning Network for Milwaukee; and, be it

Further Resolved, That the activities of the Early Warning Network shall include:

1. Organizing and training workers to detect signs, within the workplace, of possible layoffs, plant closure or relocation long before an official announcement is made. Such detection efforts shall include completion of semi-annual "Shopfloor Early Warning Scorecards" upon which workers evaluate the state of the workplace using a standardized list of conditions.

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2. Annually analyzing readily available public information about local employers, such as annual reports, credit reports and industry analyses, to look for signs of potential problems employers may be having.

3. Networking of the condition-monitoring workers with local and state economic development and job training officials, local and regional labor union staff and leaders, community-based organizations and state and local chambers of commerce and manufacturers organizations who have plant-specific information, for the purpose of continually monitoring and assessing the economic health and layoff or plant closure potential of various local employers. When problems at a particular employer are identified, Early Warning Network representatives shall meet with other workers to verify the findings, discuss follow-up research and identify possible intervention strategies which could be used to prevent job losses or the closing of the plant

; and, be it

Further Resolved, That the activities of the Early Warning Network are intended to supplement and draw upon, rather than replace, existing local business retention efforts, including those of the Department of City Development, the Milwaukee Metropolitan Association of Commerce and the Wisconsin Electric Power Company.

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