



Legislation Text

File #: 200020, **Version:** 2

200020
SUBSTITUTE 2
THE CHAIR

Substitute resolution relating to fiscal conditions and interventions necessary for the 2020 City Budget resulting from the COVID-19 pandemic.

This resolution recommends the adoption of fiscal interventions needed to start addressing the impacts of lost revenues on the City's budget as a result of COVID-19. The recommendations include implementation of temporary service reductions across most departments through furloughs and reduced work hours, excluding departments dedicated to response to, and mitigation of, COVID-19. Whereas, The City of Milwaukee has identified that the COVID-19 pandemic will result in a loss of approximately \$26.5 million in revenues for the period covering March to August of 2020; and

Whereas, The length of the COVID-19 pandemic and the projected loss of City revenues will continue to have a negative impact on the City's financial position and create long-term fiscal challenges; and

Whereas, Temporary service reductions are being recommended across departments through the implementation of employee furloughs and reduced work hours, aside from those departments and services involved with the mitigation and response to the COVID-19 emergency; and

Whereas, The temporary employee furloughs and reduction in hours proposed here are distinct and separate from the mandatory furloughs provided for in s. 350-116, Milwaukee Code of Ordinances, due to the COVID-19 pandemic, the unanticipated consequences of the pandemic on the City's budget, and the need for a temporary reduction of City services occasioned by the pandemic that arise from State and local emergency orders for public health; and

Whereas, Department functions and services identified for temporary suspension or reduction will not severely impact critical City services needed by residents; and

Whereas, Temporary furlough and reduced-hour measures will minimize the need to implement future long-term City-wide mandatory furloughs, layoffs and/or permanent reductions in services; and

Whereas, Employee salary savings will help offset some of the significant revenue loss the City is facing, while the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27th, 2020, will allow the City to recover the cost of unemployment benefits paid as a result of furloughs and reduced work hours; and

Whereas, The CARES Act has also expanded unemployment benefits to individuals not otherwise eligible and has provided an additional Federal Pandemic Unemployment Compensation (FPUC) weekly benefit of \$600 that will mitigate impacts on employees; and

Whereas, Furloughed and reduced-hour employees will retain important benefit coverage with no negative impacts to service credit for sick leave, vacation or pension; and

Whereas, Temporary furloughs and reduced work schedules are not anticipated to extend beyond July 31, 2020, unless FPUC benefits are extended; and

Whereas, The Department of Employee Relations will work with the City's Unemployment Compensation third party administrator to streamline the process of reporting data needed to respond to claims filed by employees and help them understand the process of filing unemployment compensation claims; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Employee Relations is authorized to implement temporary furloughs and reduced hours for employees as soon as administratively feasible, to continue while the city is under State or local health officer orders and considering that city services may only resume gradually once applicable restrictions are lifted; and, be it

Further Resolved, That following the expiration of temporary furloughs and reduced hours, the Department of Employee Relations and Budget office shall provide the Finance and Personnel Committee with an update on the City's fiscal position and recommendations for further long-term measures as needed; and, be it

Further Resolved, That any further reduction in service or workforce, not included in this file, shall be brought to the Common Council for review and approval, including a report on the impact of service reductions or changes on each aldermanic district.

Department of Employee Relations
Renee Joos
5/4/2020

Amended by Common Council
Chris Lee
5/8/20