

August 14, 2003

Dear :

Twice in the past four months, I invited union leaders to meet with me in our conference room at the courthouse. At the first meeting, I presented a review of Milwaukee County's 2003 budget shortfall and the projected 2004 budget shortfall and asked for some help with ideas on balancing the budget. The primary idea that came out of the first meeting was to extend the current contracts beyond 2004 (based on the idea that sick leave payments to retiring employees is a big part of the shortfall next year).

Unfortunately, the idea of deferring the sick leave costs for 2004 only covers a small portion of the projected \$90 million shortfall. In addition, I think that it is safe to say that the public would not be pleased if I allowed contracts that include the enhanced pension and sick leave benefits to continue past 2004.

At the most recent meeting with union leaders on July 21, 2003, I explained my discussions with department and division directors on a possible 35-hour workweek. Specifically, I mentioned that the reduced hour workweek was an alternative to layoffs (I used the figure 345.4 layoffs for 3.5 months – without factoring in unemployment compensation).

It was clear to me at that meeting that union leaders opposed a reduced hour workweek and viewed it as an attack against the seniority basis of union contracts. Furthermore, I was told on numerous occasions that organized labor would take legal action to block implementation of a reduced hour workweek.

We also talked about possible alternatives to help balance the shortfall in 2003. The idea of reducing payments on contracts was raised by several people. Since then, I asked every department head to give me a listing of every contract in their area, the amount (if any) of increase from 2002 and the last time an increase was given as part of the contract. We will be using this method to assist in balancing the budget for 2003 and 2004.

The other option given was to ask for voluntary time off (VTO) from employees. Based on reviews from the past, I do not believe that we can count on a significant amount of savings from VTO. In addition, a number of union officials at the meeting in July raised real concerns about employees who took VTO in the past. They mentioned that the savings were not enough and that some of the same employees who took VTO were later put on the layoff list.

In the end, the combination of a 35-hour workweek for all non-represented employees and layoffs throughout county government will generate \$5.5 million. With a shortfall over \$7 million, I will take action in several other areas (including contracts with providers outside Milwaukee County).

As mentioned previously, I am willing to consider any ideas that you have to balance the shortfalls in 2003 and 2004. Until I get ideas that add up to cover the full amount, however, I must push forward with a corrective action plan.

Finally, I apologize for any confusion about the letter that went out to employees this week. On Tuesday, I asked our Human Resources and Labor Relations staff to get a copy of the draft of the letter to every union. They sent it out by email and we were going to follow up before sending it out today or tomorrow.

Instead, copies of the draft letter were immediately emailed and faxed to employees all over county government. Once I learned of this later on Tuesday, I decided that it was best to send the message out from me directly to all county employees. Our intent was to give our union officials a draft copy a few days before all other employees received the letter.

Thank you for your attention to this important matter.

Sincerely,

Scott Walker
Milwaukee County Executive