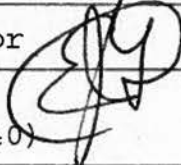



FROM	NAME & TITLE	Edward J. Gallagher, Director 	CITY of BALTIMORE  <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall (396-4940)		
	SUBJECT	Fiscal 2012 Employee Furlough Plan		

DATE: June 16, 2011

TO

The Honorable President & Members  
of the Board of Estimates  
Room 204

Mr. President and Members:

**ACTION REQUESTED OF THE BOARD OF ESTIMATES:**

Authorize by resolution the Implementation of the Fiscal 2012 Employee Furlough Plan.

**AMOUNT OF MONEY/SOURCE OF FUNDS:**

N/A

**BACKGROUND/EXPLANATION:**

On June 30, 2010 the Board of Estimates approved an Employee Furlough Plan for Fiscal 2011 representing a critical component in helping to close the largest budget gap in recent memory that the City has ever had to deal with.

The impact of the recession continues to put pressure on the City's local economy and subsequent constraint on revenue yields. Confronted with a \$60 million budget gap in Fiscal 2012, it has again become necessary to include an employee furlough plan as an integral component of closing the budget gap. This plan represents the third budget year in row that has had to include an employee furlough.

The structure of the Fiscal 2012 plan has been modified from the Fiscal 2011 structure both in salary ranges and the number of furlough days required which will be less burdensome on City employees than in the previous two plans. The savings goal for the Fiscal 2012 furlough plan is projected to be about \$8.5 million for the General and Motor Vehicle Funds.

Attached for the Board's consideration and approval is the Resolution regarding the proposed Fiscal 2012 Employee Furlough Plan.

Approved By the Board of Estimates

*Bernice N. Taylor*

**JUN 22 2011**

Date  
**JUN 22 2011**

Clerk

Fiscal 2012

City of Baltimore

EMPLOYEE FURLOUGH PLAN

WHEREAS, the impact of the recession continues to put pressure on the City's local economy and subsequent diminishing yields of budgeted City revenues that support vital City services, and

WHEREAS, the budget shortfall for Fiscal 2012 has been met through significant budget spending reductions, and employee layoffs, and

WHEREAS, a critical component of the spending reduction plan includes an employee furlough plan, and

WHEREAS, a carefully managed furlough plan for City employees will reduce the number of employee layoffs that would otherwise be necessary to close the budget gap, and

WHEREAS, it is critical to the success of any City employee furlough program that all City employees participate in order to minimize the impact on critical City services and produce an equitable program, and

BE IT THEREFORE RESOLVED BY THE BALTIMORE CITY BOARD OF ESTIMATES, AS FOLLOWS:

Section 1. The employee furlough plan for Fiscal 2012 will include all full time, part time, temporary and contractual City employees, members of the Planning Commission, members of the Board of Municipal Zoning Appeals as well as employees from agencies/quasi-agencies with independent salary setting authority or independent personnel systems, include but not limited to the Baltimore Development Corporation, Parking Authority of Baltimore City and the Office of Promotion and the Arts.

Section 2. The employee furlough plan shall include a combination of designated mandatory furlough days and additional furlough days to be implemented between July 8, 2011 and June 30, 2012 in accordance with the following requirements:

- (a) The mandatory furlough days are days on which the City will be officially closed except for certain City operations as noted in sub-section (h) below. These days in which the City will be officially closed are not deemed to be City holidays.

The mandatory furlough days shall be as follows:

Friday, November 25, 2011

Friday, December 23, 2011

(b) The number of furlough days required by the employee furlough plan is in accordance with the following structure:

Employee Salary Range:	Less than <u>\$30,000</u>	\$30,000 - <u>\$50,000</u>	\$50,000 - <u>\$90,000</u>	Greater than <u>\$90,000</u>
Number of days	2	3	4	5
Number of days – 10 month employees	1	2	3	4

(c) The mandatory furlough days will constitute the 2 days obligation for those employees earning less than \$30,000. An additional furlough day is to be imposed on the employees earning a salary included in the range of \$30,000 to \$50,000; an additional 2 days is to be imposed on employees earning a salary included in the range of \$50,000 to \$90,000; and an additional 3 days is to be imposed on employees whose salary is in excess of \$90,000.

(d) the pay reduction amount for each permanent full-time employee, [except those employees represented by any union as well as those employees on the same salary schedules and receiving the same benefits (unrepresented), who have not settled negotiations with the City for Fiscal 2012,] will be taken in equal amounts for 26 pay periods beginning on July 8, 2011 for those employees in pay Group B and on July 15, 2011 for those employees in pay Group A. Those employees who are paid weekly will have a reduction in pay taken in equal amounts for 52 pay periods beginning July 8, 2010. Pay reduction amounts for part time, temporary and contractual employees will be in accordance with the rules and regulations of the furlough plan .

(e) For those employees represented by any union as well as those on the same salary schedules and receiving the same benefits (unrepresented), the furlough plan will be implemented following the completion of negotiations with the City, commencing with the first pay period as can be practically accomplished. The deduction amounts will be taken in equal amounts spread across the remaining pay periods for Fiscal 2012.

(f) The reduction in pay will be taken as an "adjustment to gross pay" and will not reduce the employees' current salary or hourly rate. Therefore there will be no impact on retirement benefits or cash-out rates for accrued leave at termination. Regular overtime rates will be based on current salary, not the reduced amount.

(g) Agency heads, bureau heads and supervisors shall have responsibility to manage the additional employee furlough days in excess of the mandatory furlough days and shall have the authority to designate such employee's furlough days. These additional furlough days shall be implemented over the period July 8, 2011 through June 30, 2012, and the appropriate pay reductions will be spread over the pay periods specified in (d) and (e) above.

(h) The functions of solid waste collections, agency units that are involved in support of court operations and related activities and 24/7 operations shall be exempted from the mandatory furlough days as a requirement of this employee furlough plan. However, the required number of furlough days must be administered for each employee in those functions between July 8, 2011 and June 30, 2012 and such records shall be kept to document each employee's required number of furlough days.

(i) No employee may work during scheduled furlough time except that in the event of an emergency or exigent circumstances, the appointing authority may revoke furlough time and the employee shall be paid for the time worked. If furlough time is revoked; the employee must be rescheduled for additional furlough time by the supervisor equivalent to the revoked furlough time.

(j) An employee may not work in excess of the employee's normal workweek reduced by the furlough time taken during such workweeks. Therefore an employee shall not earn overtime pay or compensatory time during a workweek in which furlough time is taken and may not request authorization to work such overtime. Supervisors shall not permit an employee to work overtime during a workweek in which the employee takes furlough time.

(k) Personnel actions such as promotions, reclassifications, salary step movements and movements within a range which becomes effective after the last day of the first pay period which represents the first pay date of the employee's furlough deduction shall not affect the number of furlough days/hours designated.

(l) An employee who is on leave granted by leave bank, Employee-to-Employee Donated leave, Family and Medical Leave Act-qualifying leave, Accident leave or any other paid leave is included in the employee furlough plan and furlough time shall be scheduled in accordance to the furlough structure.

(m) Furlough time for an employee hired after the pay period end date for which the first pay date deduction is imposed is prorated based on the employee's start date.

(n) Furlough time charged to an employee receiving out-of-title pay or in an acting capacity is based on the employee's regular pay, not the out-of-title pay or acting capacity pay.

(o) For leave accrual, an employee on furlough time shall be considered to be on paid leave. The furlough will not affect the retirement credit earned.

(p) For benefits and seniority purposes, an employee on furlough time shall be considered to be on paid leave.

Section 3. The Director of Finance is hereby authorized to formulate and administer any rules and regulations or other procedures to implement this employee furlough plan.

Section 4. This resolution of the Board of Estimates shall take effect upon adoption.

APPROVED BY THE BOARD OF ESTIMATES

*Bernice N. Taylor*

**JUN 22 2011**

\_\_\_\_\_  
Clerk of the Board of Estimates

\_\_\_\_\_  
Date