

COST SAVING DAYS

We Are Not Alone

The City of Cincinnati is not alone; employers nationwide are adopting cost saving measures in response to budget deficits and bleak economic forecasts. Government employees in several states are being told to take days off without pay as state governments use furloughs to delay layoffs and make ends meet.

- **Village of Mount Gilead, Ohio** - County commissioners in central Ohio's Morrow County are asking about 200 employees to take 10 unpaid days off by the end of the year. The county is struggling to balance its \$6.5 million general fund budget and has been shutting down most of its agencies on Fridays since March. Commissioner Olen Jackson said that without the added savings from furloughs, the county will have to resort to layoffs or reducing workers' hours.
- **Denver, Colorado** - According to Mayor Mike Neitzke, city employees have been ordered to take four days of unpaid furlough to save money. Neitzke said the unpaid days off are necessary to reduce an expected \$630,000 revenue shortfall. The city already has eliminated some positions and not filled others in which the workers retired as a way to save money, he said.
- **Township of Guernsey County, Ohio** - in eastern Ohio, went to a four-day work week in March, and officials in southeast Ohio's Morgan County voted to make a similar move.
- **Yukon, Canada** - City employees will take five unpaid furlough days during the next year, which should help balance the city's budget, officials said. Yukon has a \$200,000 budget shortfall because city officials saw less sales tax revenue than they projected during the past year. The five furlough days would save the city about \$200,000 and balance the budget. Officials also placed a wage freeze on city employees during the next year.
- **Toledo, Ohio** - Mayor Carty Finkbeiner announced plans to furlough up to 1,000 nonessential city workers for five day to help ease a budget squeeze.
- **Honolulu, Hawaii** - Describing a "fiscal emergency", Gov. Linda Lingle ordered three days of unpaid furloughs each month for 14,500 state employees to help erase a \$729 million budget shortfall. The furloughs amount to an almost 14 percent pay cut and will be unilateral, applying to the governor herself and her staff.
- **Columbus, Ohio** - About 1,700 city workers in Columbus have agreed to take five days off without pay to help Mayor Michael Coleman close a \$13 million budget gap. Many of the days will be taken by converting paid holidays such as Memorial Day and Labor Day to unpaid holidays.

The list continues as does the concept of furloughing employees to offset budget deficits. The situation for City of Cincinnati employees began on December 15, 2008 when City Council gave City Manager Milton Dohoney, Jr. a directive to find ways to help curb a projected \$20 million deficit. Dohoney presented several measures, one of which was implementing cost saving days for all City employees. City Council accepted that, along with other cost savings provisions. While the cost savings days have been implemented for non-represented employees, police, fire and other union employees put the matter to a vote. The union responses thus far have been "no."

Now What

With the unions unwilling to accept the proposed cost savings days or make equivalent concessions, City Manager Dohoney says it is incumbent upon him to continue to find ways to cut costs and look for revenue to balance the City's budget. "The bottom line is that Cincinnati is being hit with the recession like the rest of the nation, the state, and the county. This cannot go on without being addressed. This situation will not fix itself."

Layoffs Possible

Dohoney has said that layoffs are the next step in balancing the budget as the City looks to a possible \$40 million deficit next year.

*Layoffs and Furloughs
Becoming Common*

Layoffs are likely, as Hamilton County grapples with yet another month of plummeting sales tax revenue. According to the latest revenue report, sales tax receipts—a major revenue source for the county—plunged 15 percent in April compared to April 2008. That's after a 14 percent drop in March and a 10 percent drop in February.

"This recession is running deeper and it is going to go longer than any of us envisioned at the beginning of the year," said Commissioner Todd Portune.

The county is also drafting a policy that would allow departments to make employees take furloughs—or unpaid leave – to balance their budgets. That policy is expected to be voted on soon in hopes that it could help avoid some of the layoffs.

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Questions and Answers on Cost Savings Days

- **Since I am not getting paid for 6 holidays how is that going to affect my check?** In order to minimize financial strain, the reduction of pay for those 48 hours will be spread out over the last 12 pay periods in 2009.
- **What is the Personal Leave time I see on my check?**
This is a 48 hour bank of time you can take similar to Vacation.
- **Is this Personal Leave paid?**
Yes, you will be compensated for this time once you take it, but if you fail to use it before the end of 2010 or separate from the City, it has no cash value.
- **How are the days tracked and computed?** The six (6) days are tracked in payroll as Personal Leave .
- **Is it coded differently on time sheets, etc? How so?** Yes, the new code is the code PLR (Personal Leave Reduction).
- **Can I take a personal leave day next to a regular holiday?** Yes, but only with a supervisor's approval.
- **What is the total number of employees (non-represented) currently included in cost saving days?** 325 non-represented employees are currently affected out of a total of 425 non- represented employees. Only those employees whose salaries are paid out of the general fund are affected.
- **What is the total number of (non-represented) employees not affected by the cost saving days?** 101 non-represented employees are in enterprise fund agencies, which would include, Metropolitan Sewer District (MSD), Water Works, Parking and Aviation employees, that are exempt.
- **What are the actual savings?** Based on the non-represented employees in the Cost Savings Days implementation, the net savings are \$480,831.44.
- **My paycheck will be reduced for the equivalent amount of these six days, how long do I have to use the days?** You have from now until the end of 2010.
- **If I don't use all the days, can I carry the balance over to next year?** No. The balance cannot be carried over into another year if not used by the end of 2010.
- **If I leave my employment with the City, will the balance of leave days be paid out?** No.

*For more questions and/or concerns regarding cost saving days,
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