

July 8, 2009

TO: Prince George's County Council

FROM: Fraternal Order of Police, Lodge No. 89  
International Fire Fighters Association, Local 1619  
Deputy Sheriff's Association of Prince George's County  
Prince George's County Correctional Officers Association, Inc.  
Police Civilian Employees Association

RE: CR-47-2009, Employee Furlough Plan

We are writing on behalf of more than 3,000 employees who are directly committed to the public safety of the citizens of Prince George's County. For the reasons that follow, among others, we urge you to request the County Executive to withdraw the proposed Employee Furlough Plan (CR-47-2009) for Fiscal Year 2010, or in the absence of such withdrawal, to vote against that Furlough Plan.

On July 7, 2009, the County Executive introduced a resolution to furlough all County employees for an additional 80 hours during the current fiscal year. Although that 80-hour furlough was part of the budget approved by the Council in early June 2009, that budget also was based on the County's projection that, as of June 30, 2009, its Undesignated Fund Balance would be only \$7.5 million. In his powerpoint presentation to the Council on July 7, 2009, however, the Director of the Office of Management and Budget (Jonathan Seeman) stated that the County currently projects that its Undesignated Fund Balance as of June 30, 2009 is at least \$21.6 million. By itself, this means that the County – even accepting its own conservative estimates – currently has at least \$14 million more in its Undesignated Fund Balance than was projected only five weeks ago.

The undesignated funds actually available to the County also must be viewed in light of vastly understated estimates by the County Administration in prior years. Approximately one year ago, on June 26, 2008, the County Executive and OMB Director Seeman met with all labor organizations representing County employees, announced that the Undesignated Fund Balance would be down to \$16 million as of June 30, 2008, and asked the labor groups to forego their previously negotiated cost-of-living adjustments. By the end of September 2008, however, after the County's audit was complete,

it turned out that the actual Undesignated Fund Balance as of June 30, 2008 was more than \$65 million. (That is not a typographical error! OMB's estimate for the County's Undesignated Fund Balance in June 2008 was almost \$50 million lower than the actual balance after audit in September 2008.) Now, one year later, the County is projecting its Undesignated Fund Balance as of June 30, 2009 to be \$21.6 million. But that estimate also is conservative and is likely much lower than what the actual audited figures will show when they become available toward the end of September 2009. The effect of the last round of furloughs on the morale of County employees was devastating. A new round of furloughs should not be undertaken based on overly conservative and unrealistic estimates.

Earlier this week, on July 6, 2009, the labor organizations representing public-safety employees filed a Negotiability Dispute with the County's Public Employee Relations Board, claiming that the question whether to furlough employees was a mandatory subject of bargaining, and that a decision by the Council to approve another furlough plan would be a unilateral and therefore unlawful change in the terms and conditions of employment for those labor organizations and employees currently engaged in negotiations. For that reason alone, we believe that the Council should refuse to approve the Furlough Plan. Now it appears that the County's Undesignated Fund Balance, according to OMB's own conservative estimate, is at least \$21.6 million, or more than \$14 million higher than projected only five weeks ago, when the Council adopted the FY2010 budget. Thus, there now is another clear reason for refusing to approve the Furlough Plan for FY2010.

We urge the Members of the County Council to consider these issues, and to seek withdrawal of the Furlough Plan or, if necessary, to reject the Furlough Plan as currently proposed.

Thank you for your attention to this matter.