

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : May 26, 2011

To : Committee on Personnel

FROM : Candace M. Richards, Interim Director of Human Resources



SUBJECT : **Informational Report for 6/17/2011**
Personnel Committee Meeting

Attached are a series of informational reports listing various personnel transactions that the Director of Human Resources intends to approve for implementation.

These reports (*reclassifications, advancements within the pay range, reallocations, and revisions to ECP*) are provided in accordance with the provisions of Chapter 17 and may be included on the agenda of the June 17, 2011 Personnel Committee Meeting for informational purposes.

In the event the Personnel Committee takes no action, the transactions noted on the reports will be implemented.

CMR:bdv

Copy: HR Managers

Personnel Committee Meeting Date: June 17, 2011

Reclassification Report

In accordance with the provisions of 17.05 of the Milwaukee County General Ordinances, the Director of Human Resources intends to reclassify the position noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with this action.

Requestor	Org	Position	Current Classification (Title)	Current Pay range	Proposed Classification (Title)	Proposed Pay range	Current Year Impact (Top Step)	Annual Year Impact	Reason
Parks	9430	40220	Park Unit Coordinator 2	24M	Maintenance Services Coordinator	25M	\$373	\$692	Changes in Duties
Parks	9046	40220	Park Unit Coordinator 1	22M	Organized Sports Coordinator	26M	\$850	\$1,579	Changes in Duties
Parks	9031	79550	Regional Operations Manager	915E	Assistant Chief of Recreation and Business Operations	916E	\$634	\$1,178	Change in Duties
TOTAL							<u>\$1,857</u>	<u>\$3,449</u>	

Personnel Committee Date: June 17, 2011

ADVANCEMENT WITHIN THE PAY RANGE REPORT

In accordance with the provisions of 17.10 of the County General Ordinances, the Director of Human Resources intends to approve the advancement within the pay range for the positions noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with these actions.

<u>REQUESTOR</u>	<u>DEPT ORG UNIT</u>	<u>TITLE CODE NO POS</u>	<u>CURRENT CLASSIFICATION</u>	<u>PAY RANGE</u>	<u>CURR YEAR</u>	<u>SUB YEAR</u>	<u>REASON</u>
Parks	9020	55732000001	Contract Services Officer	30M	\$6,823	\$11,871	Retention

Personnel Committee Date: June 17, 2011

REALLOCATION REPORT

In accordance with the provisions of 17.055 of the County General Ordinances, the Director of Human Resources intends to reallocate the positions noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with these actions. Fiscal note only reflects costs of wages and social security.

<u>DEPT</u>	<u>DEPT</u> <u>ORG</u>	<u>TITLE</u> <u>CODE</u>	<u>AUTH</u> <u>POS</u>	<u>FILLED</u> <u>POS</u>	<u>CURRENT CLASSIFICATION</u>	<u>CURRENT</u> <u>PAY RANGE</u>	<u>RECOMMENDED</u> <u>PAY RANGE</u>	<u>CURR</u> <u>YEAR</u>	<u>SUB YEAR</u>	<u>MAX YEAR</u>	<u>REASON</u>
-------------	---------------------------	-----------------------------	---------------------------	-----------------------------	-------------------------------	------------------------------------	--	----------------------------	-----------------	-----------------	---------------

No Reallocations this Period

**REVISIONS TO ECP REPORT
Personnel Committee Meeting
June 17, 2011**

Currently, there are no "Revisions to ECP" to report.

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : May 26, 2011
To : Committee on Personnel
FROM : Candace M. Richards, Interim Director of Human Resources
SUBJECT : **Informational Reports 6/17/2011**
For Personnel Committee Meeting



Attached is an informational report listing ***appointments at an advanced step of the pay range***, which the Director of Human Resources intends to approve for implementation.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances and may be included on the agenda of the June 17, 2011 Personnel Committee Meeting for informational purposes

In the event the Personnel Committee takes no action, the transactions noted on the reports will be implemented.

CMR:bdv

Attachment

**Appointments At An Advance Step Of The Pay Range
Personnel Committee Report**

June 17, 2011

REQUESTOR	ORG UNIT	PREVIOUS CLASSIFICATION	CURRENT CLASSIFICATION	PREVIOUS PAY GRADE	CURRENT PAY GRADE	SALARY RANGE ANNUALIZED	STEPS IN PR	APPT STEP	REQUESTED STEP AMOUNT	REQUESTED STEP AMOUNT ANNUALIZED	PREVIOUS SALARY	DIFFERENCE IN ANNUAL PAY	CURRENT YEAR FISCAL IMPACT	JUSTIFICATION
Sheriff	4000	Correction Officer 1 DOT	Correction Officer Lieutenant	14Z	23CM	\$47,638.45 - \$59,044.96	7	3	\$24,5013	\$50,962.7040	\$41,297.98	\$9,664.72	\$1,789.00	Promotion
Sheriff	4000	Correction Officer 1	Correction Officer Lieutenant-Prgrms	14Z	23CM	\$47,638.45 - \$59,044.96	7	3	\$24,5013	\$50,962.7040	\$41,297.98	\$9,664.72	\$1,789.00	Promotion
County Bld	1000	Adm Sec 2 - Adm Asst	Adm Sec Exec Sec 2-CoBD Chair	18M	23M	\$44,666.75 - \$51,249.12	5	3	\$23,7709	\$49,443.4720	\$42,915.60	\$6,527.87	\$2,571.00	Chg in Appt
IMSD	1173	No Previous Classification	IT Manager - Service Desk	N/A	35M	\$70,307.95 - \$83,805.49	5	5	\$40,2811	\$83,805.4880	N/A	N/A	\$7,265.00	TRG/EXP*
Parks	9041	No Previous Classification	Office Assistant I	N/A	4	\$25,119.54 - \$30,502.69	7	4	\$14,1400	\$29,411.2000	N/A	N/A	\$1,760.00	TRG/EXP*
BHD	6413	No Previous Classification	Critical Program Director - Psych	N/A	34M	\$97,516.16 - \$80,415.71	5	5	\$38,6614	\$80,415.7120	N/A	N/A	\$6,943.00	TRG/EXP*
BHD	6325	No Previous Classification	RN 3 MH	N/A	27MN	\$55,669.33 - \$69,687.07	9	3	\$28,5792	\$59,444.7360	N/A	N/A	\$2,032.00	TRG/EXP*
BHD	6324	No Previous Classification	Clinical Psychologist 2	N/A	28	\$55,421.39 - \$66,321.63	5	5	\$31,8854	\$66,321.6320	N/A	N/A	\$5,867.00	TRG/EXP*
BHD	6413	No Previous Classification	Clinical Psychologist 3	N/A	31	\$63,273.18 - \$75,342.60	5	5	\$36,2225	\$75,342.6000	N/A	N/A	\$6,497.00	TRG/EXP*
Aging	7900	No Previous Classification	Human Service Worker (Aging)	N/A	16C	\$33,295.39 - \$53,335.78	17	6	\$18,2252	\$37,906.4160	N/A	N/A	\$2,463.00	TRG/EXP*
Aging	7900	No Previous Classification	Human Service Worker (Aging)	N/A	16C	\$33,295.39 - \$53,335.78	17	4	\$17,2648	\$35,910.7840	N/A	N/A	\$1,408.00	TRG/EXP*

*FISCAL IMPACT= (Step employee hired at - Step 1) * Pay Periods Remaining in Year * 1.0765

*TRG/EXP Denotes Training and Experience

*Pay Range 901E does not have steps but has a Minimum, Mid, and Maximum Range

In accordance with the provisions of 17.09(3) of the County General Ordinances, the Director of Human Resources must file an informational report with all County Board Supervisors relative to all new appointments at an advanced step of the pay range.

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : June 7, 2011

To : Committee on Personnel



FROM : Candace M. Richards, Interim Director of Human Resources

SUBJECT : **Informational Reports 6/17/2011**
For Personnel Committee Meeting

Attached are a series of informational reports relative to ***dual employment, emergency appointment, and temporary appointment***. Reports reflect updates through the end of pay period 1. Also included is an informational report relative to ***temporary assignments to a higher classification***, which is updated through May 26, 2011.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances.

CMR:bdv

Attachment

**Dual Employment Report
Personnel Committee Meeting
June 17, 2011**

Organizational Unit	Name	Current Classification	Current Pay Range	Dual Employment	Dual Employment Pay Range
Parks Department	Terrance Wycklendt	Process Server (HR)	16	Umpire	52
Parks Department	John Quinlan	Public Services Manager	26M	Umpire	52
Parks Department	Alyssa Kruegar	Park Unit Coordinator 1	22M	Umpire	52
Parks Department	Nick Spence	Park Worker 3 Seasonal	5108	Umpire	52

Emergency Appointment Report
Personnel Committee Meeting
June 17, 2011

<u>Requestor</u>	<u>Dept</u>	<u>Last Name</u>	<u>First Name</u>	<u>Title Description</u>	<u>Employee Class</u>	<u>Status</u>	<u>Emergency Appt Date</u>	<u>Pay Range</u>
------------------	-------------	------------------	-------------------	--------------------------	-----------------------	---------------	----------------------------	------------------

No Emergency Appointments this Period

Temporary Assignment to a Higher Classification (TAHC) Report
Personnel Committee Meeting
June 17, 2011

Dept	First Name	Last Name	Current Job Title	Pay Range	Start Date	Ext.	End Date	New Job Title	Pay Range
Dept of Family Care	Tovah	Bates	Program Coordinator - ASD	29M	5/2/2011		7/29/2011	Family Care Quality Manager	33M
Corp Counsel	Jorgensen	John	Principal Asst. Corp Counsel	34Z	3/31/2011		6/30/2011	Exec Dir3 Corporation Counsel	903E
Corp Counsel	Grady	Mark	Principal Asst. Corp Counsel	34Z	3/31/2011		6/30/2011	Deputy Corporation Counsel	37AM
CSE	Brinkley	Finch	Child Support Specialist	16J	4/18/2011		7/16/2011	Child Support Coordinator	22M
CSE	Masunda	McGlaston	Paralegal - Child Support	19L	4/5/2011			Child Support Supervisor	24M
CSE	Tarsha	Stallworth	Office Support Assistant 2	02P	5/9/2011		until filled	Executive Assistant Child Support	06PM
DAS - DHR	Candace	Richards	Human Resources Mgr DHHS	916E	12/28/2010	*	until filled	Exec Dir3 Dir Human Resources	903E
DAS - Employee Benefits	Heather	Giza	Health Care Coordinator	26M	4/1/2011		6/29/2011	Business Manager	31M
DAS - Employee Benefits	Gerald	Schroeder	Exec. Dir. 1-ERS Manger	901E	4/12/2011	*	7/10/2011	Director of Employee Benefits	903E
DAS - ERS	Marian	Ninneman	Business Manager	31M	4/12/2011	*	7/10/2011	Exec. Dir. 1-ERS Manger	901E
DAS - Fiscal	Cynthia	Pahl	Mgr Family Support	916E	4/4/2011		7/2/2011	Assistant Fiscal Budget Administrator	902E
DAS - IMSD	Laurie	Panella	IT Director Business Development	902E	7/30/2010	*	until filled	Ex Dir3-Chief Info Officer	903E
DAS - Risk Management	Dennis	Dietscher	Employee Safety Coordinator	30M	5/9/2011		8/6/2011	ExecDir2-Risk Manager	902E
Dept of Family Care	Jodi	Bischoff	Accountant IV (NR)	25M	4/18/2011		7/15/2011	Account Manager (CMO) - AR	32M
Dept of Family Care	Mary	Jablonski	Acct Manager CMO - AR	32M	4/18/2011		7/15/2011	Program Admin Coord (CMO)	33M
Dept of Family Care	Maria	Ledger	Asst. Director Aging - Its	902E	1/4/2011	*	until filled	ExDir 3 Dir of Family Care	903E
DHHS	Ara	Garcia	HR Coordinator	30M	12/28/2010	*	until filled	HR Manager DHHS	916E
DHHS	Barbara	Harris	Fiscal Coordinator DSD	27M	3/1/2011		5/28/2011	Exdir2 Comm Resource Administrator	902E
DHHS	Ger	Lyday	ExDir2-Divadmndelq.Ctse	902E	12/25/2010	*	until filled	Exdir3 Director of Human Services	903E
DHHS/BHD/Fiscal	Nicole	Maslanka	Fiscal Spec MH	05P	4/1/2011		6/29/2011	Accounts Receivable Supervisor/Billing	23M
DHHS-Disabilities Serv	Mark	Stein	ExDir2-Comm Res Administrator	902E	12/26/2010	*	until filled	ExDir2-Dept Program Director Commse	902E
DTPW - Fleet Mgmt	Michael	Fourness	Auto & Eq. Svc. Tech. In Charge	20	4/12/2011		6/13/2011	Auto & Eq. Svc. Supervisor	23M
DTPW-Airport	Kevin	Doyne	Fire Fighter Equipment Operator	17B	5/1/2011		7/29/2011	Asst Chief Air Rescue & Fire Fighter	27M
DTPW-Airport	John	Kenny	Assistant Facilities Supervisor	14M	5/29/2011		6/27/2011	Facilities Supervisor	20M
DTPW-Facilities Mgmt	David	Polk	Facilities Grounds Supervisor	23M	4/4/2011		7/2/2011	Facilities Maintenance Coordinator	30M
DTPW-Facilities Mgmt	Gary	Waszak	Facilities Maintenance Coordinator	30M	10/16/2010	*	until filled	Executive Director (Facilities Management)	902E
Labor Relations	Frederick	Bau	Labor Relations Specialist 3	30M	5/7/2011	*	6/20/2011	Exec. Dir. 2-Dir. Of Labor Relations	902E
Parks	Doris	Maki	Senior Executive Assistant	07PM	4/11/2011		7/9/2011	Marketing P/R Coordinator	33M
Parks	Robby	Lemmerman	PMW II - IC	18Z	4/18/2011		7/16/2011	Park Unit Coordinator	22M
Parks	Paul	Corrao	PMW II - IC	18Z	4/18/2011		7/16/2011	Park Unit Coordinator	22M
Parks	Dave	Engelman	PMW II - IC	18Z	4/18/2011		7/16/2011	Park Unit Coordinator	22M
Sheriff	Vernice	Strapp-Pitts	Executive Assistant - Child Support	6PM	12/19/2010	*	until filled	Human Resources Coordinator-Sheriff	30M

*Pursuant to M.C.G.O. 17.085(1), (2), or (7), the TAHC has been extended by the Director of DHR. The County Board of Supervisors and the County Executive must approve the second extension to a vacant unclassified position through adoption of a Resolution.

**Temporary Appointment Report
Personnel Committee Meeting
June 17, 2011**

Requestor	Dept	Last Name	First Name	Title Code	Title Description	Emp Class	Status	# of Hours in Payroll Period	Temporary Appt Date	Appt Type
GMIA - Maintenance - General	5051	Benjamin	Christopher	32450	Airport Mtce Wkr	F	A	80	5/2/2011	TA
		Powell	Mary	32450	Airport Mtce Wkr	F	A	80	5/2/2011	TA
Total Employees =		2								
Highway Maintenance - Patrol Section One	5110	Blain	Bobby	32610	Highway Mtce Wkr 1	F	A	80	2/13/2011	TA
		Olsen	Peter	32610	Highway Mtce Wkr 1	F	A	80	11/8/2010	TA
Total Employees =		2								
Sign & Paint Maintenance	5155	Ponce	Jose	32610	Highway Mtce Wkr 1	F	A	80	11/1/2010	TA
		Walker	Kerry	32610	Highway Mtce Wkr 1	F	A	80	11/14/2010	TA
Total Employees =		2								
Special Maintenance	5150	Bautista	Victor	32610	Highway Mtce Wkr 1	F	A	80	11/14/2010	TA
		Munoz	Mario	32610	Highway Mtce Wkr 1	F	A	80	11/14/2010	TA
		Rivera	Antonio	32610	Highway Mtce Wkr 1	F	A	80	11/14/2010	TA
Total Employees =		3								
Highway Maintenance - Patrol Section Four	5140	Balderas	Juan	00032610	Highway Mtce Wkr 1	F	A	80	11/8/2010	TA
Total Employees =		1								
Grand Total of Employees:		10								

COUNTY OF MILWAUKEE
DAS-Division of Human Resources
 INTER-OFFICE COMMUNICATION

DATE : June 1, 2011

To : Chairman Lee Holloway, County Board of Supervisors

FROM : Candace M. Richards, Interim Director of Human Resources *Candace M. Richards*

SUBJECT : **Proposed Resolution Regarding Extension of Sean Payne's
TAHC Assignment - IMSD**

REQUEST

A request is being made to seek an extension of the Temporary Assignment to a Higher Classification (TAHC) for Sean Payne in the position of IT Manager-Server through September 2, 2011.

BACKGROUND

Mr. Payne has been serving in a TAHC for the position of IT Manager-Server since February 8, 2010. Mr. Payne continues to serve in a TAHC capacity to ensure the efficient functioning and provide managerial oversight of the Milwaukee County Information Technology (IT) Server Infrastructure within IMSD.

RECOMMENDATION

To ensure the efficient functioning and provide managerial oversight of the Milwaukee County Information Technology (IT) Server Infrastructure within IMSD, I am respectfully requesting approval to continue Mr. Payne's TAHC through September 2, 2011.

The required resolution and fiscal note are attached for your review and referral.

Attachments

cc: County Executive Chris Abele
 George Aldrich, Chief of Staff, County Executive's Office
 Terry Cooley, Chief of Staff, County Board of Supervisors
 C. J. Pahl, Interim Assistant Fiscal & Budget Administrator, DAS
 Supervisor Joe Sanfelippo, Chairman, Personnel Committee
 Rick Ceschin, Senior Research Analyst, County Board
 Laurie Panella, Interim Chief Information Officer-IMSD
 Sue Drummond, Payroll Manager
 Davida Amenta, Fiscal & Management Analyst-DAS
 Jodi Mapp, Committee Clerk

1
2
3
4 (ITEM *) From the Interim Director of Administrative Services – Human Resources,
5 recommending adoption of the following:

6
7 **A RESOLUTION**
8

9 WHEREAS, Temporary Assignment to a Higher Classification (TAHC) are authorized
10 for non-represented employees in C.G.O 17.085; and

11
12 WHEREAS, C.G.O 17.085 states that employees in the classified and unclassified
13 service may receive a temporary assignment to a vacant unclassified position for (90) days
14 or less with one (1) extension of ninety (90) days or less with the extension provision
15 pursuant to approval by the Human Resources Director; and

16
17 WHEREAS, C.G.O 17.085 states that any further extensions must be approved by the
18 County Board; and

19
20 WHEREAS, Mr. Sean Payne has been serving in the position of Interim IT Manager –
21 Server through a TAHC within the Information Management Services Division (IMSD) since
22 February 8, 2010; and

23
24 WHEREAS, Mr. Payne continues to serve through a TAHC as the Interim IT Manager
25 – Server while the recruitment and placement process for a permanent employee in this
26 position occurs; and

27
28 WHEREAS, it is necessary to extend Mr. Payne’s TAHC to ensure the continued
29 efficient functioning and managerial oversight of the Milwaukee County Information
30 Technology (IT) Server Infrastructure within IMSD;

31
32 now, therefore,

33
34 BE IT RESOLVED, that Mr. Sean Payne shall continue to serve through a TAHC as
35 the Interim IT Manager – Server through September 2, 2011.

36
37 **FISCAL NOTE:** Adoption of this resolution has no fiscal effect.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/26/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: REQUEST TAHC AUTHORIZATION FOR THE POSITION OF IT MANAGER - SERVER IN THE INFORMATION MANAGEMENT SERVICES DIVISION (IMSD)

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

- A. Approval of this resolution authorizes the existing TAHC for Mr. Sean Payne to continue serving as the Interim IT Manager – Server within the Information Management Services Division (IMSD) during the recruitment process for placement of a permanent employee into this position.
- B. The cost related to the proposed TAHC is \$482 for a 90 day period. That cost is absorbed into IMSD’s budget and is offset by salary savings from vacant positions. Therefore, the proposed TAHC has no direct fiscal impact.
- C. No fiscal impacts are anticipated for current or the subsequent fiscal year. See above.
- D. It is assumed that this position needs to be filled to ensure efficient functioning and oversight of the Milwaukee County Information Technology (IT) Server Infrastructure.

Department/Prepared By IMSD - Laurie Panella

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
DAS-Division of Human Resources
INTEROFFICE COMMUNICATION

DATE: June 8, 2011

TO: Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM: Candace Richards, Interim Director, DAS - Division of Human Resources
Candace M. Richards
Prepared by: Candace Richards & Sue Drummond, Payroll Manager

SUBJECT: Quarterly Report on Overtime Paid

Issue

Milwaukee County Code Section 17.16 governs overtime compensation for non-represented employees. As amended in November of 2009, the Code states that non-represented employees that are exempt from the requirements of the Fair Labor Standards Act (FLSA), other than ECP employees, shall be compensated for overtime for all hours worked in excess of forty hours in a week on a straight time basis and may only liquidate accrued overtime as compensatory time off. Exceptions may be approved by the Director of Human Resources, allowing these employees to be paid for accrued overtime rather than receive compensatory time off.

The Code requires the Director of Human Resources to provide the Personnel Committee with quarterly reports of all overtime paid to non-represented employees that are FLSA exempt.

Background

The FLSA is the federal regulation regarding minimum wage and overtime compensation. Employees of public agencies are subject to the FLSA. Employees are presumed to be covered by the FLSA, unless they meet certain specific conditions exempting them. The primary exemption that applies to County employees concerns executive, administrative, professional and some computer capacities.

In November of 2009, Milwaukee County amended Section 17.16(1)(b) of the County Code which governs overtime compensation for non-represented employees, as follows:

- Non exempt employees: Employees holding positions which are non-exempt from the FLSA shall receive time and one-half for all hours worked over forty (40) hours per week.
- Exempt employees: Employees holding a position exempt from the FLSA who are not in an executive classification shall be compensated for overtime for all hours worked in excess of forty hours in a week on a straight time basis and may only liquidate accrued overtime as compensatory time off unless approved by the Director of Human Resources.

In March of 2010, the Board received a report from the Director of Human Resources presenting a consultant study of non-represented classifications. That study found that four classifications which had been classified as exempt from the FLSA should actually be classified as non-exempt. In the reverse, the consultant found 45 classifications that had been deemed non-exempt that should instead be classified as exempt from the FLSA.

Overtime Paid to Non-Represented Employees

The following table summarizes overtime compensation to non-represented and FLSA exempt employees for pay period 2 (January 2011) through pay period 12 (May 28, 2011).

Number of employees that accrued overtime	114
Total number of employees paid overtime	15
Hours of overtime accrued	3,372.1
Hours of overtime paid out	967.4
Total overtime paid out	\$58,497.78

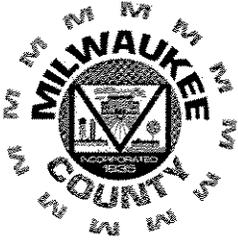
Per a memo to departments from the Controller, dated December 22, 2009, departments were to grant overtime only in cases of critical need. Central Payroll, with the assistance of Human Resources, will continue to monitor requests for overtime payment to ensure that the pay policy is consistent with the County Code.

Recommendation

This report is informational only.

CR/SD:hmf

cc: George Aldrich, Chief of Staff
E. Marie Broussard, Deputy Chief of Staff
Jerry Heer, County Auditor
Scott Manske, Controller



OFFICE OF THE COUNTY EXECUTIVE

6

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: June 2, 2011

TO: The Honorable Lee Holloway, Chairman. Milwaukee County Board of Supervisors

FROM: Chris Abele, County Executive

SUBJECT: **Amendments to Milwaukee County Code of General Ordinances Section 17**

Enclosed please find for your consideration my proposed amendments and revisions to the vacation and sick allowance ordinance pertaining to non-represented employees. The intent of this proposed ordinance revision is to bring our policies more in line with other units of government and the private sector. The changes include amending polices for returning former employees so they more closely reflect those of new employees, reducing vacation carryover and placing a limit on sick leave accrual.

If enacted, these changes will result in policies that offer attractive benefits to current and future employees and prevent financial outcomes not intended by policymakers. I look forward to working with you and the Board on improving our existing ordinance.

A handwritten signature in black ink, appearing to read "Chris Abele", written over a horizontal line.

Chris Abele
Milwaukee County Executive

Attachment

Cc: Supervisor Joe Sanfelippo, Chair, Personnel Committee
Rick Ceschin, Research Analyst
Jodi Mapp, Committee Clerk

By

Res. File 11-
Journal,

AN ORDINANCE

To amend Sections 17.17, 17.18 and 17.184 of the Milwaukee County Code of General Ordinances as it pertains to vacation and sick allowance benefits for non-represented employees.

WHEREAS, the amount of sick allowance that an employee can accrue during service for Milwaukee County under current ordinances can result in substantial payments to retiring employees; and

WHEREAS, payments of accrued sick allowance to retiring employees create budgetary and personnel issues for county departments; and

WHEREAS, Milwaukee County sick allowance policies are not consistent with the practices of other Wisconsin governmental entities; and;

WHEREAS, prior ordinance amendments have made changes to sick allowance policies, but additional reforms are appropriate; and

WHEREAS, state law prevents reductions to existing accrued sick allowance balances and formulas and allows policy changes only for future sick allowance accruals; and

WHEREAS, current ordinances should be amended to prevent a former employee who returns to county employment from receiving a complete payout of restored sick allowance balances without performing an appropriate period of additional service to the county; and

WHEREAS, current ordinances should be amended to prevent a former employee who returns to county employment from receiving an immediate entitlement to vacation leave without performing an appropriate period of additional service to the county; and

WHEREAS, current ordinances do not address policies related to vacation leave that is not used by an employee during the year in which it was granted;

WHEREAS, the ordinances should be amended to clarify and set forth a policy to prevent excessive carry-over of unused vacation leave; and

NOW THEREFORE

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Sections 17.17, 17.18 and 17.184 of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 17.17 of the General Ordinances of Milwaukee County is amended as follows:

17.17. Vacations and holidays.

(1) The heads of all departments, bureaus, institutions, boards or commissions shall make provision for, designate, and allow annual leaves with pay to serve as vacation equivalent to eighty (80) hours for each employee who has completed one (1) year or more of service, unless as otherwise may be provided for by collective bargaining agreements; one hundred twenty (120) hours for each employee who has completed five (5) years or more of service; one hundred sixty (160) hours for each employee who has completed ten (10) years or more of service; two hundred (200) hours for each employee who has completed twenty (20) years or more of service; firefighter and equipment operators, employees paid on an hourly or per diem basis who customarily work less than forty (40) hours per week or two thousand eighty (2080) hours per annum, employees paid on a per call or clinic hourly basis, and part-time employees paid on a biweekly basis whose services are required less than half-time, unless as otherwise provided for by collective bargaining agreements; firefighter and equipment operators shall be allowed annual leave with pay to serve as vacation as follows: five (5) work days for each employee who has completed one (1) year or more of service, seven (7) work days for each employee who has completed five (5) years or more of service, ten (10) work days for each employee who has completed ten (10) years or more of service, and twelve (12) work days for each employee who has completed twenty (20) years or more of service. During the first year of employment, or in a return to service an employee may utilize the equivalent of forty (40) hours of vacation after six (6) months of service will be granted half of their vacation entitlement on their six (6) month anniversary, and another half of their vacation entitlement on their one year anniversary. Additional vacation entitlement will not be granted to the employee until January 1 following their one year anniversary of being hired or rehired by the County. Years of service for a new non-represented employee, or non-represented employee returning to service, who was not discharged or involuntarily separated from the County, shall include any creditable pension service earned with Milwaukee County, the State of Wisconsin or any municipality within the State of Wisconsin. ~~Any employee who returns to employment with Milwaukee County having previously been involuntarily separated from Milwaukee County employment shall not be entitled to any prior service credit for purposes of vacation entitlement.~~ Effective in 2002 all non-represented employees shall be eligible for five (5) weeks of vacation (two hundred (200) hours) after fifteen (15) years of service and six (6) weeks of vacation (two hundred forty (240) hours) after twenty (20) years of service.

(2) Effective January 1, 2013, an employee may not carry over beyond the last day of any calendar year any more than seven days (56 hours) of unused vacation leave and shall forfeit all vacation leave previously credited to the employee in excess of 56 hours that has not been used prior to the last day of any calendar year.

(23) The following days of each year are holidays: January 1, the third Monday in February, the last Monday in May, July 4, November 11, the fourth Thursday in November, December 25, the day appointed by the governor as Labor Day, and the day of holding the general election in November. Unless as otherwise may be provided for by collective bargaining agreements; county department, offices, and institutions may be closed on these holidays: January 1, the last Monday in May, July 4, the first Monday in September, the fourth Thursday in November, and December 25. Effective in 2002 the Friday after the fourth Thursday in November shall be a holiday for non-represented employees and employees who are represented by a collective bargaining unit which has agreed to this provision. All county departments, offices and institutions shall be open to the public for business on all other statutory holidays. All employees, including those in the building and mechanical trades group in section 17.32(2)(c), except employees paid on an hourly or per diem basis and firefighter and equipment operators who receive off days in lieu of holidays, shall be granted leave with pay on these days, provided that if an employee is required to work on such days because of the needs of the service, he shall be given equivalent time off or shall receive additional compensation, if such compensation is authorized by the provisions of subsection 17.16(5). Firefighter and equipment operators, who receive seven (7) off days in lieu of all holidays, shall be granted such off days during their first calendar year of employment as provided for in their collective bargaining agreements.

(34) (a) A holiday falling on a Saturday shall be observed on the preceding scheduled workday and a holiday falling on a Sunday shall be observed on the following scheduled workday, except in the seven-day service where the present system of accruing and exhausting holidays shall remain in effect. This provision shall not apply to employees represented by certified bargaining representation.

(45) For all employees not represented by certified bargaining unit representatives, beginning in January, 1988 and every year thereafter, the third Monday in January will be observed as a holiday. All county departments, offices, and institutions shall be open to the public for business on this holiday.

(56) For employees not covered by a collective bargaining agreement, beginning in 1997, employees with an assigned work week of forty (40) hours who use no sick allowance and take no time without pay during the year, shall receive eight (8) hours of holiday time which may be used in the subsequent year. Use of excused time, including excused time used for medical appointments or bereavement leave, shall not be considered as sick allowance under this section.

SECTION 2. Section 17.18 of the General Ordinances of Milwaukee County is amended as follows:

17.18. Leave of absence with pay on account of illness or other special causes.

(1) All officers and employees who are compensated on a biweekly or annual basis and are required to work half-time or more, and all hourly employees who are customarily employed forty (40) hours in each calendar week, may be given leave of absence with pay for illness or other special causes of three and seven-tenths ($3 \frac{7}{10}$) hours for each pay period, or a proportionate credit for employees who regularly work less than forty (40) hours per week; provided, however, that such credit shall be cancelled for each pay period in which the employee is absent without pay for more than three-eighths of the required hours except absences due to disability in line of duty or leave for military service. Such leaves of absence with pay shall be granted solely on account of sickness, bodily injury, or other causes of absence which are considered as sufficient and legitimate excuses for the employee's failure to be present and in attendance on his duties; provided, however:

(a) That reasons for the absence and the good faith of the employee in taking such leave shall be supported by such reasonable evidence as may be required by the appointing authority including a physician's certificate, personal affidavit, or by other means; and

(b) That when the illness of an employee is such as may make it necessary to take leave of absence of more than three (3) days, a statement shall be made to the appointing authority in writing from a licensed physician or from an authorized Christian Science practitioner, stating the period of time the employee was unable to work because of illness.

(2) Such leave of absence with pay shall accrue during the first six (6) months of service, but shall not be granted until the completion of six (6) months of service, unless injury or disability is incurred in line of duty.

(3) Unless otherwise noted in a collective bargaining agreement, unused leave as provided in subsection (1) of this section shall accumulate on an unlisted basis over the entire period of an employee's continuous service. Unless otherwise specified in a collective bargaining agreement, continuous service shall be considered to be any period of service that has not been interrupted by layoff in excess of two (2) years and one (1) day or by voluntary or involuntary separation.

(4) Paid leave in accordance with the following formula shall be granted to employees when the employee's presence is required, and if the employee has sufficient accrued sick leave from which such leave shall be deducted:

TABLE INSET:

	Critical Illness	Death	Wedding
<i>Immediate family of employee</i>			
Husband, wife, child, brother, sister, parents, or foster parents, stepmother, stepfather, stepbrother, stepsister	3 days	3 days, plus travel	1 day
<i>Wife or husband of members of employee's immediate family</i>			
Son-in-law, daughter-in-law, brother-in-law, sister-in-law	1 day	1 day, plus travel	no provision
<i>Immediate family of spouse</i>			
Brother, sister, parents, or child of employee's spouse	1 day	1 day, plus travel	no provision
<i>Other close relatives</i>			
Aunt, uncle, first cousin, niece, nephew, grandparent, or grandchild of employee or spouse, great grandparent, grand nephew, grand niece, great aunt, great uncle, ex-husband, ex-wife	No provision	1 day, plus travel	no provision
<i>Other causes for excused time</i>			
Funeral of fellow worker	1/2 day if approved by department head.		

It shall not be necessary that such persons shall have resided with the employee to come within such classification. Not to exceed three (3) days of leave with pay may be allowed whenever both death and funeral occur in Milwaukee or its vicinity. Whenever either death or the funeral occurs elsewhere, additional travel time may be allowed as leave with pay as follows: Up to seventy-five (75) miles—none; between seventy-five (75) to one hundred fifty (150) miles—one (1) day; over one hundred fifty (150) miles—two (2) days. Reasons for the absence and the good faith of the employee in taking such leave shall be supported by such reasonable evidence as may be required by the appointing authority, including a physician's certificate, personal affidavit or by other means as may be approved by the

appointing authority. Such leave with pay shall be deducted from the accrued sick leave balance of the employee and shall be subject to the following:

(a) Where one (1) day is authorized, it must be taken on the day of the funeral, and

(b) Where more than one (1) day is authorized such days must be consecutive calendar days, one (1) of which is the day of the funeral, and

(c) When two (2) travel days are authorized, one (1) day must precede the funeral and one (1) day must follow the day of the funeral, and

(d) Scheduled off days shall be considered as part of the total funeral leave allowed when such off days fall within the authorized leave when such days are considered consecutively. Scheduled vacation days falling within the bereavement period, may be rescheduled for liquidation during the remainder of the year.

(e) Any employee scheduled to work the night shift shall have the option of taking off the night before or the night of the funeral.

(5) In addition to other causes set forth in section 17.18(4), sick leave may be taken for the purpose of enabling employees to receive nonemergency medical attention during work hours. Such leave may be allowed for scheduled appointments for any type of medical or dental care. Excused time charged against sick leave for these purposes shall be limited to three (3) hours per incident including travel between the employees' work site and the place of their appointment. In order to be excused for this type of leave, the employee must present to their immediate supervisor a written notice from the practitioner treating the employee stating the date and time of the employee's appointment. Provisions of (5) shall apply to eligible employees in the classified service.

(6) Any employee entitled to accrue sick leave under the provisions of this section who is incapacitated by reason of injuries or illness resulting from his/her employment shall be entitled to receive eighty (80) percent of his/her established rate of compensation without deduction from accrued sick leave, when approval for such payment is made by the risk management section of the department of administration. Such payments may continue for a maximum period of one (1) year. After a period of one (1) year, the employee may continue to use any sick leave earned and unused during his/her entire period of service. Any payment made shall be in lieu of any payment or award under the worker's compensation laws of this state, or if an award is made thereunder such payment shall be applied thereon. If the Internal Revenue Service (IRS) determines that the injury pay benefits provided are taxable as wages, then beginning with the effective date of such determination, the county will no longer require the twenty (20) percent employee deduction from injury pay benefits provided for.

Risk management will refer all employees receiving compensation under this provision to the return to work program in the department of human resources.

(7) The director of human resources may make such investigation or require such medical examinations as are warranted to substantiate or verify the employee's illness.

(8) Employees who have applied for retirement by filing an application with the proper official of the retirement system of which they are members shall be permitted to take any unused leave accumulated under the provisions of this section prior to the effective date of their retirement, not to exceed fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated sick leave in excess of four hundred (400) hours. Employees represented by a certified bargaining representative shall not be entitled to retirement leave in excess of thirty (30) days unless the collective bargaining agreement between said representative and the county specifically so provides. Where the needs of the service require the immediate filling of a vacancy resulting from the use of accumulated sick leave by an employee who is retiring, the position may be filled in accordance with the provisions of chapter 17 relating to the filling of vacancies, at any time during the period in which the retiring employee is on leave with pay which extends to the date of his/her retirement.

(9) All unused leave accrued under the provisions of this section shall be canceled upon the termination of an employee's active employment for any reason other than retirement, in which case the employee shall be eligible for the provisions of 17.184 retirement leave under 17.183. Former employees, except those who were discharged after a hearing before the personnel review board or resigned prior to such a hearing for discharge being heard, who return to active employment with Milwaukee County shall ~~have all canceled leave restored~~ receive twenty percent (20%) of such cancelled leave restored upon re-employment and shall have an additional twenty percent (20%) of such cancelled leave restored after every additional six months of service, but the total leave restored shall not exceed 240 hours.

(10) Retirees who received retirement leave under the provisions of 17.183 or who received benefits under the provisions of 17.184 shall not be eligible for the restoration of such leave upon return to active employment. Individuals who are actively employed with Milwaukee County as of the effective date of this section (May 17, 2000) and had such leave canceled upon termination of prior service with Milwaukee County shall have such canceled leave restored under the provisions of this section.

(11) Notwithstanding any provision in this section to the contrary, an employee shall not accrue more than 240 hours of leave under this section. However, employees who have accrued more than 240 hours of such leave as of the effective date of this ordinance shall be credited with the amount of such accrued leave as of that date and shall not accrue any additional leave. An employee who has accrued more than 240 hours of such leave as of the effective date of this ordinance and who thereafter utilizes that leave under the provisions of this section while employed for Milwaukee County, such that the employee's total accrued leave becomes less than 240 hours, may again accrue such leave as

set forth in subsection (1) above until such time as the employee again accrues 240 total hours. The value of any such leave accrued after the effective date of this ordinance shall be calculated at the employee's retirement subject to the provisions of section 17.184(3).

SECTION 3. Section 17.184 of the General Ordinances of Milwaukee County is amended as follows:

17.184. Sick allowance balance on retirement.

(1) In the event membership in the employees' retirement system began prior to January 1, 1994, the member shall receive accrued sick allowance at the time of retirement. The total payment shall equal the number of total hours of sick pay accrued at the time of retirement times the hourly rate applicable to the valuation of sick pay at the time of the member's retirement, unless the member is an elected official with accrued sick allowance or an employee who is not represented by a collective bargaining unit, in which case the number of total hours shall not exceed the equivalent of fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated leave in excess of four hundred (400) hours. Such payment shall be made in a lump sum, and shall not be included in the calculation of the member's final average salary for pension calculation purposes, nor shall such payment impact the member's total pension service credit or the date that retirement benefits will commence. If approved by the Internal Revenue Service, the member shall receive this payment through the employees' retirement system, unless the member is covered by a collective bargaining agreement that requires the county to provide the member with the option of directly receiving this payment immediately upon retirement or receiving the payment through the employees' retirement system. In the event a member of the employees' retirement system who is eligible to retire dies prior to retirement, the full value of the member's accrued sick allowance shall be paid to the member's spouse or the beneficiary of the member's retirement benefit. If an employee who has previously retired from the County, and received a sick allowance payout at their retirement date, returns to County employment, the employee shall not be entitled to an additional sick leave payment based on their earned sick leave hours after being rehired.

(2) In the event membership in the employees retirement system began on or after January 1, 1994, the member shall have the full value of their accrued sick allowance at the time of retirement (total hours accrued times the hourly rate at the time of retirement) credited toward the cost of health insurance after retirement, unless the member is an elected official with accrued sick allowance or an employee who is not represented by a collective bargaining unit, in which case the number of total hours shall not exceed the equivalent of fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated leave in excess of four hundred (400) hours. Such health insurance coverage must

commence within ten years of the member's retirement. When the amount credited is exhausted, the employee or eligible beneficiary may opt to continue their membership in the County Group Health Benefit Program upon payment of the full monthly cost as noted in 17.14(7) CGO. In the event a member of the employees' retirement system who is eligible to retire dies prior to retirement, the full value of the member's accrued sick allowance shall be credited toward the cost of continuing health insurance coverage for the member's spouse or beneficiary of the member's retirement benefit if such spouse or beneficiary was eligible for coverage prior to the member's death. If an employee who has previously retired from the County, and received a sick allowance payout at their retirement date, returns to County employment, the employee shall not be entitled to an additional sick leave payment based on their earned sick leave hours after being rehired.

(3) For the purpose of calculating either the sick allowance payment under subsection (1) above or the sick allowance value under subsection (2) above, the value of any such leave credited to the employee on the effective date of this ordinance, that is not utilized by the employee thereafter, and that therefore remains credited to the employee at the time of the employee's retirement, shall be calculated based on employee's base hourly wage rate at the time of the employee's retirement. However, notwithstanding any provision in those subsections to the contrary, the hourly rate used to calculate the value of all sick allowance that is accrued by the employee on and after the effective date of this ordinance shall be based on the amount that the employee's final average salary would be under the provisions of section 201.24(2.8), not including the first sentence of subsection (b), of the Ordinances, if it were based solely on straight time hours paid, divided by 2080.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 06/13/2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Vacation and Sick Leave Proposal - County Executive Proposal

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-25,000	-50,000
	Revenue	0	0
	Net Cost	-25,000	-50,000
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The County Executive is proposing changes to the ordinances that would change the following:

1. Change to Vacation Entitlement - grant only half of entitlement after first six months, and second half of entitlement after twelve months. Full vacation entitlement would be given on the January 1st following 1st anniversary date.
2. Change to Vacation Carryover - Vacation carryover will be limited to 56 hours of unused vacation time at the end of any fiscal year. No provision for exemption is provided to the carryover rule.
3. Change to restoration of Accrued Sick Leave to returning employee - Returning employee will only be entitled to the restoration of 20% of "Cancelled" sick leave balance every six months upon return to the County. Cancelled leave is the leave they had accrued as of the date they previously left the County.
4. Sick Leave Accrual Limit - New employees or employees with a balance of less than 240 hours will only be entitled to sick leave accumulation of 240 hours. Employees who currently have more than 240 hours of accrued leave will not earn any additional sick leave until their balance drops below 240 hours.

B. The cost for each of the changes to the proposed ordinance is as follows: The provisions will only apply to non-represented employees, since union contracts are currently in place.

1. Change to Vacation Entitlement - Approximately 31 employees in 2010 would have been impacted by this change, since they were either new employees with no previous Wisconsin government work, rehired employees, or new employees with previous Wisconsin government

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

work. Under the current, rules these employees would have received a total of 1,960 hours in the first year, and 2,400 hours in the second year. Under the County Executive proposal the employees would have received 1,320 hours in the first year and 1,320 hours in the second year. Under the County Executive proposal, the full balance of 2,400 hours would have been received in the third year by these employees. The savings in total hours over a two year period would have been 1,720 under the County Executive proposal. Actual cash savings may or may not occur, depending on if overtime is worked for the staff work hours lost due to vacation time. These 1,720 hours are equivalent to \$37,000 in wages, but do not directly provide savings.

2. Change to Vacation Carryover - Vacation carryover will be limited to 56 hours of unused vacation time at the end of any fiscal year. There were 458 non-represented employees that had vacation carryover. There are 227 non-represented employees who had vacation carryover that exceeded the proposed limit of 56 hours. The total hours of vacation carryover that exceeded the limit 56 hours limit was 8,752 hours. These hours will have to be taken over the next two years by these employees in order to reduce the vacation carryover to the required limit by December 31, 2012. If any of these employees work in departments that may require overtime, a cost could be incurred to cover the additional vacation time of these employees. Once implemented, this change in policy could reduce the vacation payout at retirement for employees. The average wage rate for these employees was \$35.00, so a potential cost savings in future years could occur of \$153,000, if vacation carryover is reduced before the year of retirement.

3. Change to restoration of Accrued Sick Leave to returning employee - Returning employee will only be entitled to the restoration of 20% of "Cancelled" sick leave balance every six months upon return to the County. Cancelled leave is the leave they had accrued as of the date they previously left the County. The restoration of a cancelled sick leave balance has occurred for less than 5 employees in the last two years. Savings would be generated by this change in policy if returning employees left in the first two and a half years, before their sick leave balance was fully restored. A recent rehire left within the first six months of employment, which cost the County \$25,000 under the current policy. The revised policy would have cost the County \$0, since his sick leave balance would not have begun to be restored until after six months..

4. Sick Leave Accrual Limit - New employees or employees with a balance of less than 240 hours will only be entitled to sick leave accumulation of 240 hours. Employees who currently have more than 240 hours of accrued leave will not earn any additional sick leave until their balance drops below 240 hours. There are a total of 786 non-represented employees. The Non-reps include 456 employees who currently have a sick leave balance greater than 240 hours. These employees, who have a balance of greater than 240 hours, are accruing an additional 43,700 hours of sick leave each year, or 96 hours per employee. These hours are either being used as sick leave or are adding to the accrued balances of employees. These additional accrued sick leave balances could turn into a payable upon the retirement of the employees. Approximately 7,800 hours are being added to the payable balance at retirement for these employees. This is a potential added liability of \$245,000 per year, if all accrued hours were added to an employees accrued sick leave balance. All hours will not be added to accrued balances due to the use of sick leave by employees. In addition, the increase in liability does not mean an increase in annual cost, because the cost only occurs if an employee retires from the County. An assumption of cost savings of \$25,000 is being made for purposes of this fiscal note in the first year, and \$50,000 in the second year. However, it should be noted with this new policy, the County may experience an increase in annual leave taken by employees, since they cannot earn more than 240 hours. In addition, any policy on sick leave caps, should be compared to the current disability program held by the County.

C. The savings in the current year would be limited under the four changes being made, but would provide savings over a longer period.

- 1. Change to Vacation Entitlement - Defer entitlement, limited savings in first year.
- 2. Change to Vacation Carryover - savings could occur in the future for retirees, who would have less of a carryover balance to be paid out at retirement.
- 3. Change to restoration of Accrued Sick Leave to returning employee -savings is limited, except for those rare cases where an employee returns and is paid out for sick leave, before being here 2.5 years.
- 4. Sick Leave Accrual Limit - limit would reduce sick leave hours added to employee balances, which could reduce sick leave payout to retirees in future years. This could save \$25,000 for the remainder of the year, and \$50,000 in the subsequent year. Other issues need to be looked at with this policy, as it relates to disability programs, and potential unemployment costs.

D. Calculations were based upon a report of sick and vacation accruals as of December 31, 2010. The analysis is only based on Non-represented employees, and has not been extrapolated to other unions, since they are still under contract.

Department/Prepared By Department of Administrative Services - Scott B. Manske

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 8, 2011

TO: Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM: Mark A. Grady, Acting Deputy Corporation Counsel, Chair,
Employee Benefits Workgroup

SUBJECT: File No. 11-P-06/INF 11-241; Referral related to review of sick allowance and vacation policies

At its meeting of May 20, 2011, the Personnel Committee referred the above files to the Workgroup with a request to review “the relevant Ordinances, provide analysis of what the comparable policies are in other public and private sectors with respect to sick time payout, analyze policies relating to sick time payouts compared to short-term disability plans and include a review of the County Executive’s Order as well [and to] draft recommendations to present to the Personnel Committee for implementation by the Board.” Due to the short time frame between receipt of the referral and the report deadline for the June cycle, the Workgroup has not been able to complete all of the tasks referred to it, but provides this response on many of the issues. The Workgroup has met and discussed policies related to sick allowance and vacation, especially those policies addressed by the County Executive’s Order and by his proposed ordinance amendments. The Workgroup makes the recommendations set forth below on those topics.

The Workgroup will continue to study the larger issue of sick allowance and paid time off policies in the context of short term disability policies, among other things. The Workgroup believes that such changes require more study and analysis than the recommendations set forth below.

Last, the Workgroup notes that the County may be able to implement proposed changes in a more organized and complete manner if and when proposed changes in state law related to collective bargaining become effective. Currently, any proposed changes must be limited to non-represented employees.

Vacation policies related to returning county employees

The County Executive has proposed an ordinance change in vacation policies for returning county employees. All employees, including returning county employees, are entitled to a number of hours of vacation each year based on the

amount of an employee's prior years of governmental service in Wisconsin. No change is proposed to this formula. The County Executive proposes that returning employees will only be entitled to one-half of their vacation entitlement after six months of service after their return and another one-half of their entitlement on their one year anniversary. He proposes that additional vacation entitlement would not be granted until January 1st following the employee's one year anniversary. Thus, for a returning employee who is otherwise entitled to four weeks of vacation, that returning employee would not be entitled to any vacation during the first six months following their return to county employment, would receive two weeks vacation after six months, another two weeks after another six months and then a full four weeks on the following January 1st. This proposed change would treat returning employees in the same manner as new employees.

The Workgroup agrees with the policy underlying the proposed change, but proposes a different methodology to achieve a similar result and to avoid inequities that might occur under the proposal. For example, under the County Executive's proposal, an employee who returns to county employment on January 15, 2012, and who is entitled to two weeks of vacation based on prior service, would receive one week of vacation on July 15, 2012, would receive one more week of vacation on January 15, 2013, and would not receive two weeks of vacation until January 1, 2014. On the other hand, if that same employee returns to county employment on December 15, 2012, she would receive one week of vacation on June 15, 2013, would receive one more week on December 15, 2013, and would receive two weeks of vacation on January 1, 2014.

Recommendation

The Workgroup recommends a pro-rata approach. Under this approach, during the calendar year in which an employee returns to county employment, the employee will be granted a fraction of the employee's total vacation entitlement based on the number of months remaining in the calendar year divided by 12.

Thus, for example,

- an employee who returns at any time during the month of January will receive 11/12ths of the employee's total vacation entitlement to use during the balance of the calendar year;
- an employee who returns during the month of July will receive 5/12ths of the employee's total vacation entitlement;
- an employee who returns during the month of November will receive 1/12th of the employee's total vacation entitlement;
- an employee who returns during the month of December will receive no vacation entitlement for that calendar year.

On January 1st following the employee's return to employment the employee will receive a full vacation entitlement.

The employee would be immediately entitled to use the vacation granted under the pro-rata formula. However, the employee will not be entitled to receive any payment for unused vacation when the employee leaves employment unless the employee has served 2080 hours after being re-employed.

NOTE: The Workgroup recommends that vacation policies for new employees and returning employees be the same. Therefore, the Workgroup recommends the adoption of these vacation policies for both returning employees and for new employees.

Sick allowance policies related to returning county employees

The County Executive has proposed an ordinance change related to sick allowance policies for returning county employees. Under current ordinance, an employee who returns to county employment has all of their previously unused sick allowance immediately restored, unless the employee previously received payment for that sick allowance at the time of retirement or if the employee was discharged for cause by the Personnel Review Board or resigned while such charges for discharge were pending. The County Executive has not proposed any policy change in those exclusions to restoration of sick allowance. However, for those not excluded, he has proposed a graduated restoration of prior sick allowance balances at the rate of twenty percent (20%) after six months of service and an additional 20% every six months of service thereafter, up to a proposed limit or cap on accruals of 240 hours.

The Workgroup agrees with the policy underlying the proposed change, but believes further distinction is appropriate.

Recommendation

The Workgroup recommends that any former county employee who returns to county employment after having retired and begun receiving retirement benefits should not receive any restoration of sick allowance. In addition, a previously retired employee who returns to employment should be eligible to accrue new sick allowance, but should not receive any payment or credit for unused sick allowance when the employee re-retires. These exclusions would exist regardless of whether that person previously received payment for sick allowance. Once an employee retires, if the employee thereafter returns to employment, no sick allowance would be restored and any new, unused sick allowance would not be paid at retirement.

For those who have not retired and who return to employment, the Workgroup recommends adoption of the County Executive's proposal for a graduated restoration of sick allowance, but recommends an additional limitation; that is, an employee who returns to county employment more than three (3) years after previous termination of employment will not be granted any restoration of previous sick allowance. This three-year limitation is recommended because it coincides with the three-year layoff/recall provisions under current Civil Service rules. Thus, an employee who leaves employment and who returns more than three years later will not receive any restoration of sick allowance; an employee who returns in less than three years will receive the graduated restoration of sick allowance as set forth in the County Executive's proposal.

Vacation carry-over

The current ordinance does not contain any provisions with respect to the carry-over of unused vacation from one year to the next. Directives from the County Executive or the Director of Human Resources have previously governed policies related to vacation carry-over for nonrepresented employees. The County Executive has issued a directive limiting carry-over of vacation from one year to the next to 56 hours of credit. Any credit not used that is in excess of 56 hours is to be forfeited. The directive, as amended, is effective at the end of 2012 for carry-over to 2013. The County Executive has proposed adoption of this policy into the ordinances.

Recommendation

The Workgroup agrees with the County Executive's recommendation that a policy related to vacation carry-over be set forth in the ordinances. However, the Workgroup believes that past practice allowing written exemption from the carry-over limitation within the discretion of the Director of DHR is necessary and appropriate. Circumstances do arise where carry-over should be granted. For example, an employee may anticipate a medical condition that will require substantial absence from work and may wish to carry-over one year's credit to the next year to cover that expected absence. In addition, there can be circumstances when an employee has been unable to utilize vacation due to staff shortages or other similar concerns.

The Workgroup does not have a recommendation with respect to the limitation that should be established on the amount of carry-over. Past practice has been a limitation of one-half of the employee's entitlement, but 56 hours or some other amount may be appropriate.

Accrual limits on sick allowance, payout of sick allowance and short term disability policies

The County Executive has proposed a 240 hour (six week) limitation on the accrual of sick allowance. As a result of legal limitations, employees who have already accrued more than 240 hours cannot and would not have those accruals unilaterally reduced under his proposal, but such employees would not accrue any additional hours. The County Executive has also proposed a new formula for payment of these accrued hours that essentially utilizes a three-year average of base compensation.

Recommendation

With respect to limitations on accrual of sick allowance (or “caps”), the Workgroup believes that such limitations should not be established until an evaluation of possible coordinated changes to short term disability policies can be studied. Therefore, the Workgroup recommends that the County Executive’s proposal of a 240-hour limitation on accrual of sick allowance be deferred until such a study can be completed.

The Workgroup has no objection to the County Executive’s proposal related to the utilization of a three-year average of base compensation. However, for administrative and legal reasons, any enactment of that change to the payout formula should only be enacted at the same time as any limitation or cap on the accrual of sick allowance. Therefore, the Workgroup recommends that no proposal related to the a change in the payout formula be adopted until the Workgroup can make a recommendation on limitations of accrual of sick allowance and short term disability policies.

Draft ordinance amendments incorporating the Workgroup’s recommendations are attached.

cc: Jodi Mapp, Committee Clerk
George Aldrich, County Executive Chief of Staff
EBWG members

By

Res. File 11-
Journal,

A RESOLUTION

To amend Sections 17.17, 17.18 and 17.184 of the Milwaukee County Code of General Ordinances as it pertains to vacation and sick allowance benefits for non-represented employees.

WHEREAS, the amount of sick allowance that an employee can accrue during service for Milwaukee County under current ordinances can result in substantial payments to retiring employees; and

WHEREAS, prior ordinance amendments have made changes to sick allowance policies, but additional reforms are appropriate; and

WHEREAS, payments of accrued sick allowance to retiring employees create budgetary and personnel issues for county departments; and

WHEREAS, Milwaukee County sick allowance policies are not consistent with the practices of other Wisconsin governmental entities; and;

WHEREAS, state law prevents reductions to existing accrued sick allowance balances and formulas and allows policy changes only for future sick allowance accruals; and

WHEREAS, current ordinances should be amended to prevent a former employee who returns to county employment from receiving a complete payout of restored sick allowance balances without performing an appropriate period of additional service to the county; and

WHEREAS, current ordinances should be amended to prevent a former employee who returns to county employment from receiving a payout of unused vacation without performing an appropriate period of additional service to the county; and

WHEREAS, current ordinances do not address policies related to vacation leave that is not used by an employee during the year in which it was granted and therefore ordinances should be amended to clarify and set forth a policy to address carry-over of unused vacation leave; and

NOW THEREFORE

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Sections 17.17, 17.18 and 17.184 of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 17.17 of the General Ordinances of Milwaukee County is amended as follows:

17.17. Vacations and holidays.

(1) The heads of all departments, bureaus, institutions, boards or commissions shall make provision for, designate, and allow annual leaves with pay to serve as vacation equivalent to eighty (80) hours for each employe who has completed one (1) year or more of service, unless as otherwise may be provided for by collective bargaining agreements; one hundred twenty (120) hours for each employe who has completed five (5) years or more of service; one hundred sixty (160) hours for each employe who has completed ten (10) years or more of service; two hundred (200) hours for each employe who has completed twenty (20) years or more of service; firefighter and equipment operators, employes paid on an hourly or per diem basis who customarily work less than forty (40) hours per week or two thousand eighty (2080) hours per annum, employes paid on a per call or clinic hourly basis, and part-time employes paid on a biweekly basis whose services are required less than half-time, unless as otherwise provided for by collective bargaining agreements; firefighter and equipment operators shall be allowed annual leave with pay to serve as vacation as follows: five (5) work days for each employe who has completed one (1) year or more of service, seven (7) work days for each employe who has completed five (5) years or more of service, ten (10) work days for each employe who has completed ten (10) years or more of service, and twelve (12) work days for each employe who has completed twenty (20) years or more of service. During the first year of employment, or in a return to service, an employe may utilize the equivalent of forty (40) hours of vacation after six (6) months of service will be granted a proportional share of their hours of vacation entitlement based on the number of full calendar months remaining in the calendar year in which the employe was first hired or in which the employee was rehired, divided by twelve (12) and rounded up to the nearest whole hour, and shall be granted their full vacation entitlement on January 1 of the calendar year after being hired or rehired by the County. Years of service for a new non-represented employee, or non-represented employee returning to service, who was not discharged or involuntarily separated from the County, shall include any creditable pension service earned with Milwaukee County, the State of Wisconsin or any municipality within the State of

Wisconsin. ~~Any employee who returns to employment with Milwaukee County having previously been involuntarily separated from Milwaukee County employment shall not be entitled to any prior service credit for purposes of vacation entitlement.~~ An employee shall not receive payment for unused vacation credit upon any termination of employment, including, but not limited to, a retirement, unless the employee has served 2080 hours after the employee's initial date of hire or rehire. Effective in 2002 all non-represented employees shall be eligible for five (5) weeks of vacation (two hundred (200) hours) after fifteen (15) years of service and six (6) weeks of vacation (two hundred forty (240) hours) after twenty (20) years of service.

(2) Effective January 1, 2013, an employee may not carry over beyond the end of any calendar year any more than seven days (56 hours) of unused vacation leave. Departments may request to carry over hours in excess of 56 hours for any employee by submitting a request to the Director of Human Resources and must include in the request the written rationale for the request, the reason the department limited the use of vacation by the employee, and any other information requested by the Director. The Director shall have discretion to approve or deny such requests. All vacation leave previously credited to the employee in excess of seven days that has not been used prior to the end of the calendar year and that has not been approved by the Director for carry over shall be forfeited.

(23) The following days of each year are holidays: January 1, the third Monday in February, the last Monday in May, July 4, November 11, the fourth Thursday in November, December 25, the day appointed by the governor as Labor Day, and the day of holding the general election in November, unless as otherwise may be provided for by collective bargaining agreements; county department, offices, and institutions may be closed on these holidays: January 1, the last Monday in May, July 4, the first Monday in September, the fourth Thursday in November, and December 25. Effective in 2002 the Friday after the fourth Thursday in November shall be a holiday for non-represented employees and employees who are represented by a collective bargaining unit which has agreed to this provision. All county departments, offices and institutions shall be open to the public for business on all other statutory holidays. All employees, including those in the building and mechanical trades group in section 17.32(2)(c), except employees paid on an hourly or per diem basis and firefighter and equipment operators who receive off days in lieu of holidays, shall be granted leave with pay on these days, provided that if an employee is required to work on such days because of the needs of the service, he shall be given equivalent time off or shall receive additional compensation, if such compensation is authorized by the provisions of subsection 17.16(5). Firefighter and equipment operators, who receive seven (7) off days in lieu of all holidays, shall be granted such off days during their first calendar year of employment as provided for in their collective bargaining agreements.

(34) (a) A holiday falling on a Saturday shall be observed on the preceding scheduled workday and a holiday falling on a Sunday shall be observed on the

following scheduled workday, except in the seven-day service where the present system of accruing and exhausting holidays shall remain in effect. This provision shall not apply to employees represented by certified bargaining representation.

(45) For all employees not represented by certified bargaining unit representatives, beginning in January, 1988 and every year thereafter, the third Monday in January will be observed as a holiday. All county departments, offices, and institutions shall be open to the public for business on this holiday.

(56) For employees not covered by a collective bargaining agreement, beginning in 1997, employees with an assigned work week of forty (40) hours who use no sick allowance and take no time without pay during the year, shall receive eight (8) hours of holiday time which may be used in the subsequent year. Use of excused time, including excused time used for medical appointments or bereavement leave, shall not be considered as sick allowance under this section.

SECTION 2. Section 17.18 of the General Ordinances of Milwaukee County is amended as follows:

17.18. Leave of absence with pay on account of illness or other special causes.

(1) All officers and employees who are compensated on a biweekly or annual basis and are required to work half-time or more, and all hourly employees who are customarily employed forty (40) hours in each calendar week, may be given leave of absence with pay for illness or other special causes of three and seven-tenths (3 7/10) hours for each pay period, or a proportionate credit for employees who regularly work less than forty (40) hours per week; provided, however, that such credit shall be cancelled for each pay period in which the employee is absent without pay for more than three-eighths of the required hours except absences due to disability in line of duty or leave for military service. Such leaves of absence with pay shall be granted solely on account of sickness, bodily injury, or other causes of absence which are considered as sufficient and legitimate excuses for the employee's failure to be present and in attendance on his duties; provided, however:

(a) That reasons for the absence and the good faith of the employee in taking such leave shall be supported by such reasonable evidence as may be required by the appointing authority including a physician's certificate, personal affidavit, or by other means; and

(b) That when the illness of an employee is such as may make it necessary to take leave of absence of more than three (3) days, a statement shall be made to the appointing authority in writing from a licensed physician or from an authorized Christian Science practitioner, stating the period of time the employee was unable to work because of illness.

(2) Such leave of absence with pay shall accrue during the first six (6) months of service, but shall not be granted until the completion of six (6) months of service, unless injury or disability is incurred in line of duty.

(3) Unless otherwise noted in a collective bargaining agreement, unused leave as provided in subsection (1) of this section shall accumulate on an unlisted basis over the entire period of an employee's continuous service. Unless otherwise specified in a collective bargaining agreement, continuous service shall be considered to be any period of service that has not been interrupted by layoff in excess of two (2) years and one (1) day or by voluntary or involuntary separation.

(4) Paid leave in accordance with the following formula shall be granted to employees when the employee's presence is required, and if the employee has sufficient accrued sick leave from which such leave shall be deducted:

TABLE INSET:

	Critical Illness	Death	Wedding
<i>Immediate family of employe</i>			
Husband, wife, child, brother, sister, parents, or foster parents, stepmother, stepfather, stepbrother, stepsister	3 days	3 days, plus travel	1 day
<i>Wife or husband of members of employe's immediate family</i>			
Son-in-law, daughter-in-law, brother-in-law, sister-in-law	1 day	1 day, plus travel	no provision
<i>Immediate family of spouse</i>			
Brother, sister, parents, or child of employe's spouse	1 day	1 day, plus travel	no provision
<i>Other close relatives</i>			
Aunt, uncle, first cousin, niece, nephew, grandparent, or grandchild of employe or spouse, great grandparent, grand nephew, grand niece, great aunt, great uncle, ex-husband, ex-wife	No provision	1 day, plus travel	no provision
<i>Other causes for excused time</i>			

Funeral of fellow worker	1/2 day if approved by department head.
--------------------------	---

It shall not be necessary that such persons shall have resided with the employe to come within such classification. Not to exceed three (3) days of leave with pay may be allowed whenever both death and funeral occur in Milwaukee or its vicinity. Whenever either death or the funeral occurs elsewhere, additional travel time may be allowed as leave with pay as follows: Up to seventy-five (75) miles--none; between seventy-five (75) to one hundred fifty (150) miles--one (1) day; over one hundred fifty (150) miles--two (2) days. Reasons for the absence and the good faith of the employe in taking such leave shall be supported by such reasonable evidence as may be required by the appointing authority, including a physician's certificate, personal affidavit or by other means as may be approved by the appointing authority. Such leave with pay shall be deducted from the accrued sick leave balance of the employe and shall be subject to the following:

- (a) Where one (1) day is authorized, it must be taken on the day of the funeral, and
 - (b) Where more than one (1) day is authorized such days must be consecutive calendar days, one (1) of which is the day of the funeral, and
 - (c) When two (2) travel days are authorized, one (1) day must precede the funeral and one (1) day must follow the day of the funeral, and
 - (d) Scheduled off days shall be considered as part of the total funeral leave allowed when such off days fall within the authorized leave when such days are considered consecutively. Scheduled vacation days falling within the bereavement period, may be rescheduled for liquidation during the remainder of the year.
 - (e) Any employe scheduled to work the night shift shall have the option of taking off the night before or the night of the funeral.
- (5) In addition to other causes set forth in section 17.18(4), sick leave may be taken for the purpose of enabling employes to receive nonemergency medical attention during work hours. Such leave may be allowed for scheduled appointments for any type of medical or dental care. Excused time charged against sick leave for these purposes shall be limited to three (3) hours per incident including travel between the employes' work site and the place of their appointment. In order to be excused for this type of leave, the employe must present to their immediate supervisor a written notice from the practitioner treating the employe stating the date and time of the employe's appointment. Provisions of (5) shall apply to eligible employes in the classified service.
- (6) Any employe entitled to accrue sick leave under the provisions of this section who is incapacitated by reason of injuries or illness resulting from his/her employment shall be entitled to receive eighty (80) percent of his/her established

rate of compensation without deduction from accrued sick leave, when approval for such payment is made by the risk management section of the department of administration. Such payments may continue for a maximum period of one (1) year. After a period of one (1) year, the employe may continue to use any sick leave earned and unused during his/her entire period of service. Any payment made shall be in lieu of any payment or award under the worker's compensation laws of this state, or if an award is made thereunder such payment shall be applied thereon. If the Internal Revenue Service (IRS) determines that the injury pay benefits provided are taxable as wages, then beginning with the effective date of such determination, the county will no longer require the twenty (20) percent employe deduction from injury pay benefits provided for.

Risk management will refer all employes receiving compensation under this provision to the return to work program in the department of human resources.

(7) The director of human resources may make such investigation or require such medical examinations as are warranted to substantiate or verify the employe's illness.

(8) Employes who have applied for retirement by filing an application with the proper official of the retirement system of which they are members shall be permitted to take any unused leave accumulated under the provisions of this section prior to the effective date of their retirement, not to exceed fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated sick leave in excess of four hundred (400) hours. Employes represented by a certified bargaining representative shall not be entitled to retirement leave in excess of thirty (30) days unless the collective bargaining agreement between said representative and the county specifically so provides. Where the needs of the service require the immediate filling of a vacancy resulting from the use of accumulated sick leave by an employe who is retiring, the position may be filled in accordance with the provisions of chapter 17 relating to the filling of vacancies, at any time during the period in which the retiring employe is on leave with pay which extends to the date of his/her retirement.

(9) All unused leave accrued under the provisions of this section shall be canceled upon the termination of an employe's active employment for any reason other than retirement, in which case the employe shall be eligible for the provisions of 17.184 retirement leave under 17.183. Except for former employes Former employes, except those who were discharged after a hearing before the personnel review board or resigned prior to such a hearing for discharge being heard, or those who have received retirement benefits under Chapter 201 or 203, or those who return to active employment more than three years following their previous termination of employment, former employes who return to active employment with Milwaukee County shall have all canceled leave restored receive twenty percent (20%) of such cancelled leave restored upon re-employment and shall have an additional twenty percent (20%) of such cancelled leave restored after every additional six months of service. Retirees who received retirement leave under the provisions of 17.183 shall not be eligible for the

~~restoration of such leave upon return to active employment.~~ Individuals who are actively employed with Milwaukee County as of the effective date of this section (May 17, 2000) and had such leave canceled upon termination of prior service with Milwaukee County shall have such canceled leave restored under the provisions of this section.

SECTION 3. Section 17.184 of the General Ordinances of Milwaukee County is amended as follows:

17.184. Sick allowance balance on retirement.

(1) In the event membership in the employees' retirement system began prior to January 1, 1994, the member shall receive accrued sick allowance at the time of retirement. The total payment shall equal the number of total hours of sick pay accrued at the time of retirement times the hourly rate applicable to the valuation of sick pay at the time of the member's retirement, unless the member is an elected official with accrued sick allowance or an employee who is not represented by a collective bargaining unit, in which case the number of total hours shall not exceed the equivalent of fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated leave in excess of four hundred (400) hours. Such payment shall be made in a lump sum, and shall not be included in the calculation of the member's final average salary for pension calculation purposes, nor shall such payment impact the member's total pension service credit or the date that retirement benefits will commence. If approved by the Internal Revenue Service, the member shall receive this payment through the employees' retirement system, unless the member is covered by a collective bargaining agreement that requires the county to provide the member with the option of directly receiving this payment immediately upon retirement or receiving the payment through the employees' retirement system. In the event a member of the employees' retirement system who is eligible to retire dies prior to retirement, the full value of the member's accrued sick allowance shall be paid to the member's spouse or the beneficiary of the member's retirement benefit. If an employee who has previously retired from the County returns to County employment, the employee shall not be entitled to any sick leave payment based on their earned sick leave hours after being rehired.

(2) In the event membership in the employees retirement system began on or after January 1, 1994, the member shall have the full value of their accrued sick allowance at the time of retirement (total hours accrued times the hourly rate at the time of retirement) credited toward the cost of health insurance after retirement, unless the member is an elected official with accrued sick allowance or an employee who is not represented by a collective bargaining unit, in which case the number of total hours shall not exceed the equivalent of fifty (50) days plus sixteen (16) hours for each one hundred (100) hours or fraction thereof of accumulated leave in excess of four hundred (400) hours. Such health insurance coverage must commence within ten years of the member's retirement. When the amount credited is

exhausted, the employe or eligible beneficiary may opt to continue their membership in the County Group Health Benefit Program upon payment of the full monthly cost as noted in 17.14(7) CGO. In the event a member of the employes' retirement system who is eligible to retire dies prior to retirement, the full value of the member's accrued sick allowance shall be credited toward the cost of continuing health insurance coverage for the member's spouse or beneficiary of the member's retirement benefit if such spouse or beneficiary was eligible for coverage prior to the member's death. If an employee who has previously retired from the County returns to County employment, the employee shall not be entitled to any sick leave credit toward the cost of health plan coverage based on their earned sick leave hours after being rehired.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 8, 2011

TO: Supervisor Joe Sanfelippo, Chair, Personnel Committee
Supervisor Johnny Thomas, Chair, Finance & Audit Committee

FROM: Mark A. Grady, Acting Deputy Corporation Counsel, Chair,
Employee Benefits Workgroup

SUBJECT: Informational Report Regarding a Study of Capping the Backdrop

The 2011 Adopted Budget provides that the Employee Benefits Workgroup should study what steps must occur in order to cap the backdrop pension benefit at some future point in time. The study is to include legal guidance as to how best to proceed and an actuarial study of the impact of such action. The Workgroup was to provide a report in the June 2011 meeting cycle.

The Workgroup has spent considerable time and effort analyzing impacts and preparing proposals for the County Board related to the Budget Repair Bill -- work that was not anticipated when the 2011 Budget was adopted. In addition, the Workgroup did not have expenditure authority for actuarial assistance until the March 2011 meeting cycle. Since that time, the actuary has been involved in preparing a cost study for the adopted change related to the creation of Correction Officer Lieutenant positions, a cost study related to the potential state-mandated contributions, a cost study related to applying the 1.6 multiplier and normal retirement age 64 provision to other employees and has completed the annual valuation of the Employees Retirement System. The Workgroup has also been involved in reviewing matters related to the RFP for the health plan. The Workgroup also received a referral from the Personnel Committee in May with a report in the June cycle related to vacation and sick allowance issues.

For all of these reasons, the Workgroup has not been able to address the backdrop issue. The Workgroup intends to address this matter later in the year, depending on the issues that are expected to arise related to the Budget Repair Bill or similar legislation.

cc: Carol Mueller
Jodi Mapp
George Aldrich
EBWG members

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 8, 2011

TO: Lee Holloway, Chairman, County Board of Supervisors

FROM: Mark Grady, Acting Deputy Corporation Counsel

SUBJECT: Proposed Ordinance Amendments in Preparation for Implementation of Possible State-Mandated Employee Pension Contributions

Issue

It is anticipated that previously-adopted, but currently enjoined, state law, or new state law, will require employee contributions to Milwaukee County's retirement system of one-half of the annual required contribution. Once such a law becomes effective, the county must comply with it and DAS will do so.

The ordinances were previously amended with respect to the county-required contributions (2%-3%-4%) and the necessary language was included to allow those contributions to be made on a pre-tax basis. Based on advice of tax counsel to the retirement system, the anticipated state-mandated contributions, like the contributions already imposed by the County, can be made on a pre-tax basis, but only after the pension ordinances have been amended to do so. Without an amendment to county ordinances, all state-mandated employee contributions will be made on an after-tax basis.

Recommendation

Therefore, the attached resolution and ordinance amendments are recommended for adoption. If adopted prior to any change in state law, all contributions required by the state law will be made by employees on a pre-tax basis.

The Employee Benefits Workgroup has discussed and agrees with this recommendation. However, the Workgroup members have not reviewed the attached ordinance amendments.

This matter should be referred to the Committee on Finance and Audit, the Committee on Personnel, the Pension Study Commission and the Pension Board.

Memo to Chairman Lee Holloway
Proposed Ordinance Amendments in Preparation for Implementation of Possible State-
Mandated Employee Pension Contributions
6/14/2011
Page 2 of 2

A fiscal note will be prepared and submitted upon receipt of the actuary's analysis.

cc: Chris Abele, County Executive
George Aldrich, Chief of Staff, County Executive
Terry Cooley, Chief of Staff, County Board
Carol Mueller, County Board Clerk
Jody Mapp, County Board Clerk
Employee Benefit Work Group members

1
2 By Supervisor

Res. File 10-
Journal,

3
4
5 **A RESOLUTION AND ORDINANCE**

6
7 To amend Sections 201.24(3.3), (3.5) and (3.11) of the Milwaukee County
8 General Ordinances as it pertains to pension benefits.

9
10 WHEREAS, the State of Wisconsin previously adopted State Statute
11 section 59.875, as part of 2011 Wisconsin Act 10, mandating that Milwaukee
12 County collect from employees one half of the actuarially required contribution of
13 the retirement system, and

14
15 WHEREAS, 2011 Wisconsin Act 10 has been enjoined; and

16
17 WHEREAS, the Governor and other state officials have stated an intent to
18 adopt these same provisions as part of the state's biennial budget; and

19
20 WHEREAS, any employee contributions that may be mandated by state
21 law can only be made on a post-tax basis under current county ordinances; and;

22
23 WHEREAS, an amendment to county ordinances is required in order for
24 any state mandated employee pension contributions to be made on a pre-tax
25 basis; and

26
27 WHEREAS, any state-mandated contribution effective for pay periods in
28 2011 shall be six percent (6%) based on the requirements of 2011 Wisconsin Act
29 10; and

30
31 WHEREAS, pursuant to Section 201.24(8.17) of the Milwaukee County
32 Code of General Ordinances, the proposed changes have been referred to the
33 Pension Board and the Pension Board has been given thirty (30) days to
34 comment upon the proposed changes, and

35
36 WHEREAS, the proposed changes have been referred to the pension
37 fund actuary whose actuarial analysis indicates the changes will have no
38 actuarial effect on the retirement system, but will result in reduced contributions
39 by Milwaukee County; and

40
41 WHEREAS, the Pension Study Commission reviewed the actuary's report
42 on _____, 2011 and have recommended the County Board adopt the
43 proposed changes (Vote X-X); now therefore

45 BE IT RESOLVED, that the Milwaukee County Board of Supervisors,
46 consistent with section 201.24(3.11)(2)(c) below, establishes the amount of
47 contribution for any required contributions in 2011 as six percent (6%);
48

49 BE IT FURTHER RESOLVED, that the Milwaukee County Board of
50 Supervisors hereby amends Section 201.24 of the Milwaukee County Code of
51 General Ordinances by adopting the following:
52

53 AN ORDINANCE

54
55 The County Board of Supervisors of the County of Milwaukee does ordain
56 as follows:
57

58 **SECTION 1.** Section 201.24(3.11) of the General Ordinances of Milwaukee
59 County is amended and restated in its entirety as follows:
60

61 **3.11 Employee Contribution**

62
63 (1) Mandatory Employee Contributions. Each member of the Employees'
64 Retirement System shall contribute to the retirement system a percentage
65 of the "Member's Compensation" according to subsection 3.11(2) based
66 on the following schedule:

67 (a) Effective January 1, 2011 through the effective date of any state
68 law requiring member contributions, for any member who is not covered
69 by the terms of a collective bargaining agreement, ~~who is an elected~~
70 official, or who is covered by a collective bargaining agreement that has
71 adopted this ordinance, other than members who make a contribution to
72 the System under section 3.3(2), the member shall contribute the amount
73 provided in subsection (2)(a);

74 (b) Effective January 1, 2011 through the effective date of any state
75 law requiring member contributions, for any member who is an elected
76 official, the member shall contribute the amount provided in subsection
77 (2)(b);

78 (c) Upon the effective date of any state law requiring member
79 contributions, for any individual who is a member as of that date and who
80 on that date is, or on a subsequent date becomes, either (1) not covered
81 by the terms of a collective bargaining agreement, or (2) an elected
82 official, or (3) is covered by a collective bargaining agreement with the
83 American Federation of State, County and Municipal Employees
84 (AFSCME), the member shall contribute the amount provided in
85 subsection (2)(c);

86 (d) Any member who is either (1) not covered by the terms of a
87 collective bargaining agreement, or (2) is an elected official, or (3) is
88 covered by a collective bargaining agreement with the American
89 Federation of State, County and Municipal Employees (AFSCME), and
90 whose initial date of membership in the retirement system is on or after

91 the effective date of any state law requiring member contributions, the
92 member shall contribute the amount provided in subsection (2)(c);

93 (e) Upon the effective date of any state law requiring member
94 contributions, or January 1, 2012, whichever is later, for a member who is
95 covered by a collective bargaining agreement with the Association of
96 Milwaukee County Attorneys, the Federation of Nurses and Health
97 Professionals, the Milwaukee Building and Trades Council, TEAMCO and
98 the International Association of Machinists and Aerospace Workers, the
99 member shall contribute the amount provided in subsection (2)(c);

100 (f) Any member who is covered by the terms of a collective
101 bargaining agreement with the Association of Milwaukee County
102 Attorneys, the Federation of Nurses and Health Professionals, the
103 Milwaukee Building and Trades Council, TEAMCO and the International
104 Association of Machinists and Aerospace Workers, whose initial date of
105 membership in the retirement system is on or after the effective date of
106 any state law requiring member contributions, or January 1, 2012,
107 whichever is later, shall contribute the amount provided in subsection
108 (2)(c).

109
110 ~~, shall contribute to the retirement system a percentage of the "Member's~~
111 ~~Compensation" according to subsection 3.11(2). "Member Compensation"~~
112 ~~shall include all salaries and wages of the member, except for the~~
113 ~~following: overtime earned and paid; any expiring time paid such as~~
114 ~~overtime, and holiday; and injury time paid; and any supplemental time~~
115 ~~paid such as vacation or earned retirement~~
116

117 (2) Contribution Percentage: The percentage shall be as follows:

118
119 (a) Two (2) percent of Member's Compensation earned between
120 January 9, 2011 and June 11, 2011;

121 ~~(b) Three (3) percent of Member's Compensation earned between~~
122 ~~June 12, 2011 and December 10, 2011;~~

123 ~~(c) Four (4) percent of Member's Compensation earned on or~~
124 ~~after December 11, 2011;~~

125 ~~(d) Notwithstanding the sections 3.11(2)(a) and (c), elected~~
126 ~~officials shall contribute two (2) percent of Member's Compensation~~
127 ~~earned on and after between January 9, 2011 and the effective date of~~
128 ~~any state law requiring member contributions.~~

129 (c) A percentage of Member's Compensation as determined by the
130 County Board. The percentage of Member's Compensation shall be
131 derived from the actuarially estimated pension contribution for the
132 retirement system for the next budget year, with members being
133 responsible for the contribution pursuant to State statutory requirements.
134 The County Board shall establish in its annual adopted budget the
135 percentage of a Member's Compensation required to comply with the
136 statutorily-required contribution. The percentage of a Member's

137 Compensation may vary from year to year and shall be applicable for 26
138 pay periods and shall apply on a prospective basis beginning with the first
139 pay period each year.

140
141 (3) Pick-Up Contributions. Notwithstanding the preceding, contributions
142 shall be made by the County in lieu of contributions by the employee even
143 though the contribution is designated as an employee contribution.
144 Members have no option to choose to receive the contributions provided
145 for in this section directly instead of having the contribution paid by the
146 County to the retirement system. The contribution shall be made on a
147 pre-tax basis, and there shall be a corresponding reduction in
148 compensation actually paid to the member. These contributions shall
149 qualify as pick-up contributions (pursuant to Internal Revenue Code
150 section 414(h)(2)). These contributions shall have no impact on internal
151 plan contribution limits or forms of benefit payment under the retirement
152 system. The pick-up of these contributions shall not be construed to
153 reduce the salary upon which final average salary is calculated, as
154 defined in section 2.8. Unless specified otherwise, these contributions do
155 not impact the calculation of a member's benefit. The designation and
156 qualification of these contributions as pick-up contributions pursuant to
157 Internal Revenue Code section 414(h)(2) does not, however, result in the
158 County paying the required contribution on behalf of the employee in a
159 manner inconsistent with State statutory requirements and its prohibition
160 of an employer making the payment on behalf of the employee.

161
162 Notwithstanding the preceding, contributions made under this section by
163 optional members, as defined in section 3.3(2), shall not be picked up and
164 made on a pre-tax basis as provided in this subsection unless and until
165 the County receives a favorable private letter ruling from the IRS
166 authorizing such pick-up. Corporation Counsel shall determine if and
167 when a favorable private letter ruling has been received and pick up of
168 these contributions shall then commence for optional employees.

169
170 (4) Determination of Accumulated Contributions. A member's
171 accumulated contributions shall be equal to the sum of his mandatory
172 employee contributions.

173
174 (5) Refund of Accumulated Contributions.

175 (a) Refunds of all accumulated contributions made under this
176 section 3.11, with interest at the rate of five percent (5%) per annum, shall
177 be made on the same conditions and under the same circumstances as
178 refunds under section 3.5, but may only be paid in the form of a lump sum
179 payment. For an employee terminating employment with the County, any
180 refund of accumulated contributions must be requested within 60 days
181 after termination.

182 (b) Members receiving a refund or on whose behalf a refund is paid
183 under this subsection shall cease to be a member of the Employees'
184 Retirement System and shall have no further right to any benefit under
185 this plan.

186 (c) The provisions of section 11.1 shall not apply to accumulated
187 contributions withdrawn by members under this section.
188

189 **SECTION 2.** Section 201.24(3.3) of the General Ordinances of Milwaukee
190 County is amended and restated in its entirety as follows:
191

192 **3.3. Employee membership accounts.**
193

194 (1) In addition to the contributions required by section 3.1, the county,
195 commencing with the 4th day of January 1969, shall contribute to the
196 system the following percentage of the earnable compensation of each
197 member, except members listed in paragraph (2):

198 (a) Employees, other than deputy sheriffs and elected officials, six
199 (6) percent.

200 (b) Deputy sheriffs, eight (8) percent.

201 (c) Elected officials, eight (8) percent.

202 All such sums contributed by the county for members whose last period of
203 employment began prior to January 1, 1971, shall be credited to the
204 employe's membership account in addition to contributions made by the
205 employe, other than voluntary savings. The contributions provided for in
206 this section 3.3(1) shall be considered separate and distinct from the
207 employe contributions required under section 3.11.
208

209 (2) In addition to the contributions required by section 3.11, tThe
210 following members, who have elected to become optional members of
211 ERS, shall also contribute to the system, by payroll deduction, six (6)
212 percent of their earnable compensation:

213 (a) All interns, students and trainees employed in non-civil-service
214 positions.

215 (b) All resident physicians employed in non-civil-service positions.

216 (c) Seasonal employes, except those whose last period of
217 continuous membership began prior to December 24, 1967.

218 (d) Employes serving under emergency appointments except:

219 (1) Employes whose last period of continuous membership
220 began prior to December 24, 1967.

221 (2) Employes on leave of absence to accept an emergency
222 appointment.

223 (3) Employes whose positions have been reclassified.

224 Every member required to make the above contribution shall be deemed
225 to consent and agree to the payroll deductions made and provided herein.

226 All sums contributed by a member shall be credited to his membership
227 account. The contributions provided for in this section 3.3(2) shall be

228 considered separate and distinct from the employe contributions required
229 under section 3.11.

230

231 **SECTION 3.** Section 201.24(3.3) of the General Ordinances of Milwaukee
232 County is amended and restated in its entirety as follows:

233

234 **3.5. Refunds upon severance or death.**

235

236 Notwithstanding the following, a member shall not be eligible to receive a
237 refund of the portion of his membership account attributable to
238 accumulated contributions contributed under section 3.11 if the member's
239 employment was terminated due to fault or delinquency on the member's
240 part under section 4.5 or if the member or a beneficiary of the member is
241 eligible, at the time the request for a refund is made, for the present
242 receipt of any monthly annuity benefit under sections 4.1, 4.5, 6.1, 6.2,
243 6.4, 7.1 or 7.2 of the Chapter 201.24 of the ordinances. Upon termination
244 of employment, for reason other than death or retirement, a member shall
245 be entitled to receive a refund of the balance as of the date of termination
246 of his membership account and his savings account, accumulated at
247 interest as set from time to time by the board. However, if a member who
248 is eligible for a deferred vested pension withdraws his membership
249 account, he shall forfeit all rights to a deferred vested pension.

250

251 Upon termination of employment by reason of a member's death or upon
252 the death of a member who is eligible for a deferred vested pension, the
253 member's beneficiary shall be paid in lump sum the balance, as of the
254 date of death, of his membership account and his savings account,
255 provided that if a joint and survivor option under section VII is effective or
256 a survivorship benefit under section VI is payable, the membership
257 account shall not be paid to the beneficiary. However, if the amount of the
258 membership account at the date of a member's death exceeds the total of
259 the amount of the payments made to the spouse and children under
260 sections 6.1, 6.2, 6.4 and 7.1, after all payments due thereunder have
261 been made, such excess shall be paid in a lump sum to the member's
262 beneficiaries.

263

264 Upon retirement of a member, the balance of his savings account shall be
265 paid in one (1) of the following forms as determined by the board:

266

(a) Lump sum payment.

267

(b) Life annuity with full cash refund or on a term certain basis.

268

(c) Installments of a designated amount or over a designated

269

period of time.

270

271

If under any of the above options a benefit becomes payable to some

272

other person as a result of the death of the retired member, payment shall

273 be made to the beneficiary designated by the member or, in the absence
274 of a valid designation, than as provided in section 2.16.

275

276 **SECTION 4.** The provisions of this ordinance shall be effective upon
277 passage and publication.

June 10, 2011

Supervisor Paul M. Cesarz
Chairman
Pension Study Commission
901 N. 9th St.
Milwaukee, WI 53233

RE: Actuary's Review of Proposed Ordinance Amendment to the Employees' Retirement System for State-Mandated Employee Pension Contributions

Dear Supervisor Cesarz,

As requested, we have analyzed the actuarial impact on the Milwaukee County Employees' Retirement System of the attached ordinance amendment. This ordinance amendment is a result of Section 166 of 2011 Wisconsin Act 10.

Section 166 of 2011 Wisconsin Act 10, if enacted, will add 59.875 of the State statutes, which reads:

59.875 Payment of contributions in an employee retirement system of populous counties

- (1) In this Section, "county" means any county having a population of 500,000 or more
- (2) Beginning the effective date of this subsection, in any employee retirement system, except as provided in a collective bargaining agreement entered into under subch. IV of ch. 111, employees shall pay half of all actuarially required contributions for funding benefits under the retirement system. The employer may not pay on behalf of an employee any of the employee's share of the actuarially required contributions.

If such a law becomes effective, the County must comply with the law. If adopted, the state-mandated employee pension contributions will not change the overall liability and costs of the Employees' Retirement System. Thus, the law does not have an actuarial impact on the retirement system. It will, however, shift the cost of the Employees' Retirement System from the County to some, but not all, of the active employees covered under the Employees' Retirement System. The shift will come in the form of employee contributions. These employee contributions will be based on the results of the annual actuarial valuation.

Actuarial Analysis

Our actuarial analysis is based on our interpretation of the language in Section 166 of Wisconsin Public Act 10. The reader is encouraged to refer to our section entitled “*Commentary on Section 166 of Wisconsin Public Act 10*” later in this letter.

Our actuarial interpretations include:

- Sheriffs and firefighters, both non-represented and represented, are not required to contribute nor are members receiving benefits (retirees) or deferred members of the retirement system. We refer to these members as “non-contributors” in this analysis. All other members will be required by the State to contribute and are referred to as “contributors” in this analysis.
- The employee contribution rate is to be consistent for all contributors despite differences in benefits between individual members. Using one contribution rate minimizes administration and variability in contributions from year to year, employee group to employee group, and employee to employee.
- Contributors that are already making contributions, such as most nonrepresented employees and elected officials, will migrate to the new rate upon the effective date of the law. Other represented groups will begin a contribution upon expiration of their respective bargaining agreements. A recalculation will not be needed in between valuation reports because their numbers are already included in our calculation of the contributors’ contribution rate.
- Contributors will pay for half of *their portion* of the actuarially required contributions. This entails allocating unfunded liabilities between contributors on one hand and retirees and other non-contributors on the other hand. In addition, contributors contribute one-half of the contributors’ normal cost.
- The term “employees shall pay half of all actuarially required contributions for funding *benefits* under the retirement system” means that contributors do not pay for the amortization of administrative *expenses* contained in the actuarially required contributions from the County.
- The draft ordinance amendments we reviewed base the employee contribution on the budget, or estimated contribution. We believe that a more accurate method for calculation of the employee contribution would be to base the calculation on the “current year” or “actual” contribution. The current year contribution is based on verified asset and liability experience rather than being an estimate. Thus, the contribution to be made by employees in 2012 should be based on the 2011 “current year” or “actual” contribution. The county makes the 2011 actual contribution in 2012 and employees would be making their share of the 2011 contribution at the same time as the county. It is our understanding that Corporation Counsel intends to offer an amendment to the pending proposal to follow our recommendation. Therefore, for purposes of determining employee contributions for calendar year 2012, we use the 2011 Actual Contribution of \$26,808,037 as the basis for the employee contribution rate. The derivation of this 2011 actual contribution is contained in the January 1, 2011 Actuarial Valuation report issued May 13, 2011.

The determination of the employee contribution is below. It is based on the interpretations above.

**Milwaukee County Employees' Retirement System
 Development of State-Mandated Employee Pension Contributions
 Based on January 1, 2011 Valuation Results**

Item	Results Based on Proposed Change		
	Non-Contributors	Contributors	All Members
	Amounts	Amounts	Amounts
Valuation Results as of January 1, 2011			
1. Present Value of Future Benefits			
a) Active Participants *	\$ 123,674,010	\$ 647,041,952	\$ 770,715,962
b) Participants with Deferred Benefits	69,435,621	-	69,435,621
c) Participants Receiving Benefits	<u>1,379,441,317</u>	-	<u>1,379,441,317</u>
d) Total	\$ 1,572,550,948	\$ 647,041,952	\$ 2,219,592,900
2. Present Value of Future Normal Cost	\$ 27,844,427	\$ 99,821,822	\$ 127,666,249
3. Actuarial Accrued Liability: (1 - 2)	\$ 1,544,706,521	\$ 547,220,130	\$ 2,091,926,651
4. Actuarial Value of Assets	\$ 1,424,715,251	\$ 504,712,613	\$ 1,929,427,864
5. Funded Status: (4 / 3)	92.2%	92.2%	92.2%
6. Unfunded Actuarial Accrued Liability: (3 - 4)	\$ 119,991,270	\$ 42,507,517	\$ 162,498,787
7. Normal Cost Rate	11.567%	8.006%	8.457%
8. Total Normal Cost for the Plan Year	\$ 3,248,496	\$ 15,496,676	\$ 18,745,172
Projected Contributions			
1. Actual Contribution for 2011			
a) Normal Cost with Interest	\$ 3,375,936	\$ 16,104,153	\$ 19,480,089
b) Net Annual Amortization Payments **	<u>5,818,664</u>	<u>1,509,284</u>	<u>7,327,948</u>
c) Total Contribution: ((a + b), not less than zero)	\$ 9,194,600	\$ 17,613,437	\$ 26,808,037
2. Employee Contribution (50% of 1c for Contributors)	N/A	\$ 8,806,718	N/A
3. Expected Salaries in 2011	28,084,168	193,563,275	221,647,443
4. Employee Contribution Rate (2÷3)	N/A	4.5%	N/A

* The actives in the Non-Contributor group include 448 members comprised of Represented Firefighters and Sheriffs and Non-Represented Firefighters and Sheriffs.

** The Net Annual Amortization Payments for the Contributors do not include the Expense Amortization Payments and was prorated based on the contributors' actuarial accrued liability compared to total actuarial accrued liability of the Retirement System.

Based on the above analysis, if the state-mandated employee contributions are in affect for all of 2012 and all contributors contributed the state-mandated contribution rate for 2012, \$8,806,718 of the \$26,808,037 would be shifted from the County to active employees. Please note that some portion of the annual required contribution is already being made by nonrepresented members and elected officials. In the end, the county will contribute the difference between the actual contribution of \$26,808,037 and whatever employee contributions that are ultimately made during 2012.

Supervisor Paul M. Cesarz
Chairman
Pension Study Commission
June 10, 2011
Page 4

Basis for the Analysis

Unless otherwise noted below, we have based this analysis on the data, assumptions and methods used for the most recently completed valuation, which was as of January 1, 2011.

The undersigned is a Member of the American Academy of Actuaries and meets the Academy's Qualification Standards to issue this Statement of Actuarial Opinion.

Commentary on Section 166 of Wisconsin Public Act 10

At first glance, the language in Section 166 of Wisconsin Public Act 10 seems quite straightforward. Unfortunately, from an actuarial standpoint, it is quite vague and potentially subject to what appears to be unanticipated consequences. These ambiguities lead to the necessity to make the actuarial interpretations that are noted above. We will address some of these ambiguities here.

- The language superficially appears to require an allocation to active, non-exempt employees of one half of the entire actuarially required contribution that would otherwise be paid by the County. For example, of the \$26,808,037 2012 actual contribution from page 16 of the Actuarial Valuation Report, employees would be required to pay one-half, or \$13,404,019. If we were to utilize that interpretation to derive the employee contribution rate, we would divide the employee contribution portion of \$13,404,019 over expected payroll of \$229,405,000 to arrive at an employee contribution rate of 5.8% for 2012. But Section 166 exempts sheriffs and firefighters from contributing. Following the superficial interpretation would effectively require the contributing County employees to pay for one-half of the cost of the exempt employee's benefits. This interpretation would reduce the payroll over which the employee contribution rate is based to \$200,337,990, resulting in an employee contribution rate of 6.7% of pay. This comes close to almost the entire normal cost of the contributor group, meaning that contributors would pay for almost all of their entire annual accruals. We do not believe such an interpretation to be appropriate.
- Without the inclusion of the Pension Obligation Bond proceeds in 2009, the 2012 actual Contribution would likely be in excess of \$60,000,000, resulting in an employee contribution rate of over 12% of pay. Such a contribution is substantially more than the average cost of a year's accrual for contributors (i.e., the normal cost) of roughly 8.0% of payroll.
- Most of the volatility inherent in the contribution is due to asset changes rather than liability or benefit changes. Over 65% of the assets are held for the benefit of retirees. Subjecting affected employees to contribution volatility of assets held for the benefit of retirees would result in excessive employee contribution volatility.
- Contribution rates are currently lower than anticipated due to the reflection of contribution variances over the past couple of years. In the future, total contributions are expected to almost double, resulting in a doubling of the employee contribution rate. Employee communications will be important.

Supervisor Paul M. Cesarz
Chairman
Pension Study Commission
June 10, 2011
Page 5

The above bullet points are in no means an exhaustive list of the challenges of this legislation. All stakeholders are encouraged to add input to the process.

We look forward to discussing this analysis with you.

Sincerely,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary

LFL:pl
19150/C7145RET01-75&OutPricing April 13 2011.doc

cc: Mark Grady
Paul Wilkinson

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 06/15/2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: State Mandated Employee Pension Contribution - Ordinance Change

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-1,509,300	-6,709,600
	Revenue	0	0
	Net Cost	-1,509,300	-6,709,600
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Proposed County ordinance amendments are being made in preparation for implementation of the State-mandated employee pension contributions. The State budget repair bill included a statute change that would require employees to "pay half of all actuarially required contributions for funding benefits under the retirement system." The Pension Actuary, Buck Consultants, has issued a letter dated June 10, 2011, which provides for their interpretation of the State statute change, and the impact on Milwaukee County. The fiscal note is prepared based on letter issued by the actuary.

For 2011, the County adopted a pension contribution of 2% for non-represented employees, increasing to 3% in June, and 4% at the end of December. The pension contribution was matched with a wage increase of 1% in June and another 1% in December. The pension ordinance has already been adjusted for the pension contribution adopted for non-represented employees. The proposed ordinance changes would provide for the requirements that are proposed under the State statute.

In a question and answer document that was provided to employees, regarding the State Budget Repair Bill, a discussion occurred regarding the pension change. In that document, an initial pension contribution from employees was estimated at 6% for 2011. The City of Milwaukee currently has a 5% rate, and the State of Wisconsin was proposing a rate for members of its employee retirement system of 5.7%. The County contribution of 6% was based on an allocation of normal cost and prior service cost to contributing employees.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

The rate being proposed by the Actuary in the June 10, 2011 letter to the Pension Study Commission is 4.5%. This rate is a reduction from the earlier estimate. The employee pension contribution represents a sharing of the annual pension expense of the County's Employee Retirement System (ERS). The ERS pension expense consists of Normal Cost and Prior Service Cost. The The Actuary's interpretation of the State Statute finds that full normal cost should be allocated to active contributors and non-contributors. The normal cost represents the cost of benefits earned by active employees in the current year. Per the actuary, the prior service cost should be allocated based on the active employees proportional share of the actuarial liability. Active employees represent 31% of the Actuarial Liability. In addition, the actuary finds that the administrative cost portion of the annual pension expense should not be allocated to active employees, since it is not a benefit.

Attached to this fiscal note are schedules that breakdown the calculation of the employee contribution for active employees (Exhibit A). In addition, there is a breakdown of the budget impact of the State Budget Repair bill, based on different contribution rates, including the proposed rate from the Actuary (Exhibit B).

Exhibit C - Exhibit F provide an outlook of the pension contribution for the years 2012 - 2017. During these years, the normal cost increases by 3.5% per year, but the prior service cost increases at a greater rate, based upon the items that have occurred in prior years including the loss on investments in 2008, and the runout of the Mercer settlement that was contributed in 2009.

Under the proposed ordinance change, the actuary has based their estimates on waiting for actual pension expenses to be determined prior to determining an employee pension contribution rate. Exhibit G and Exhibit H provide a comparison of two methods of calculating the employee contribution. Exhibit G shows the change in employee contributions (based on actual expense) matched with the change in pension expense. Due to employee contributions lagging pension expense by one year, there is a delay in the catchup of employee contributions with pension expense of that one year. Exhibit H provides a comparison if both the pension expense and employee contributions were calculated on the same basis.

Exhibit I and J provide an estimate of the pension contribution by Union under different rate scenarios for 2012. Exhibit K and L provide an estimate of the pension contribution by Union under different rate scenarios for 2011. For 2011, the contribution rates would only apply to AFSCME DC-48, and non-represented employees.

B. Per Exhibit L, the County would have cost savings in 2011 of \$1,509,300 over a current budget for employee contributions of \$1,260,000. This estimate is based on an implementation of the State Budget Repair Bill on September 1, 2011. These additional savings would be used to offset fringe benefit costs that are currently not being achieved in org unit 1950, or in org unit 1972.

Per Exhibit J, the County would have net cost savings of \$6,709,600 for the 2012 year. The savings are after consideration of any revenue offsets for departments that receive outside revenue. The full gross contribution received would be \$8,807,000 for 2012. The schedule is broken down by union. It is anticipated that all unions will be participating in the employee contribution, except Deputy Sheriffs and Firefighters. These two unions are identified as the public safety unions. They have been exempted from the employee contribution under the State Statute. The County could negotiate a contribution from the public safety unions, but it is not anticipated that they will contribute in 2012.

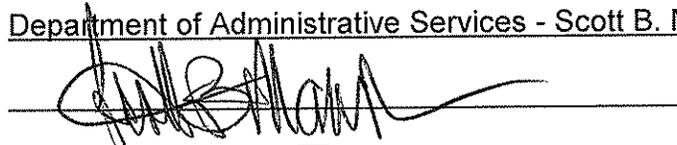
C. The savings generated by the change in State Statute, if made into law, will provide an offset to the costs in the 2011 and 2012 budget, and for years going forward. The cost savings is tied to

the pension expense and therefore provides an offset to the pension expense. The pension expense generally fluctates more due to prior service cost then due to normal cost. As stated earlier, the employee contribution is more tied to the normal cost then the prior service cost, therefore, the employee contribution will not fluctuate to the level of the pension expense. For example, in 2015, it is anticipated that pension expense will increase by \$9.2 million. Half of that contribution increase is \$4.5 million. However, the employee contribution would only be increased by \$1.4 million under a budget basis or by \$0 under an actual contribution calculation basis. The increase in pension expense in future years, due to changes in prior service costs, will have to be provided from other means then the employee contribution.

D. Calculations were based upon the June 10, 2011 report from the Actuary to the Pension Study Commission, the Annual Actuarial Report as of January 1, 2011 from Buck Consultants, a spreadsheet of the projection of annual pension cost prepared by the County and the County's Actuary, and calculations done by the Department of Administrative Services.

Department/Prepared By Department of Administrative Services - Scott B. Manske

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Milwaukee County

Analysis of Required Contribution based on State Budget Repair Bill

ERS Members only. OBRA is not in these numbers.

EXHIBIT A

		2012				<u>Proposed</u>	<u>Pcnt Salaries</u>
						<u>Dollars</u>	<u>of Contributors</u>
1	Normal Cost	\$	19,480,100	9	Full Contribution	\$ 26,808,000	13.85%
2	Prior Service Cost		<u>7,327,900</u>	10	Reduction for Administrative Cost	(1,558,200)	-0.81%
3	Total Pension Exp	\$	<u>26,808,000</u>	11	Reduction for Retiree portion of Prior Service Cost	(3,938,900)	-2.03%
4	Prior Service Cost			12	Reduction for Non-Contributors "Public Safety"	<u>(3,696,900)</u>	-1.91%
5	Admin Expense	\$	1,558,200			\$ 17,614,000	9.10%
6	Active		1,830,800				
7	Retirees		<u>3,938,900</u>	13	Half of Actuarial Contribution	50%	
8		\$	<u>7,327,900</u>	14	Employee Contribution	<u>\$ 8,807,000</u>	4.55%
Actuarial Liability of Contributors		\$	547,220,130	15	Salaries of Contributors	\$ 193,563,275	
Act Liability Non-Contributors and Retirees		\$	<u>1,544,706,521</u>				
Total Actuarial Liability		\$	<u>2,091,926,651</u>				

Schedule is intended to show the allocation of pension costs under the interpretation of the State Statute 59.875 (Budget Repair Bill) of half of all actuarially required contributions for funding benefits under the retirement system. The Actuary finds that normal cost is fully allocable under the State Statute to active employees. However, administrative costs charged to the pension plan, plus the prior service cost related to retirees is only partially allocable, therefore a portion of these costs are removed from allocation formula. Final adjustment is for the cost of non-contributors which reduces the contribution for employee groups who provide a contribution.

Exhibit B

<u>Employee Contributions</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>Contribution</u>	
			<u>Rate</u>	
Half ARC - No Adjustment	\$ 2,006,083	\$ 8,917,800	6.05%	
Adjusted Rate - Before Public Safety Offset	\$ 1,594,767	\$ 7,089,600	4.81%	
Adjusted Rate - with Public Safety Offset	\$ 1,509,300	\$ 6,709,600	4.55%	<u>Proposed</u>

Estimate of Budget impact under different scenarios presented in this fiscal note.

EXHIBIT C

Contribution Rate from Employees - 2012 - 2017

	<u>Full</u>	<u>Alloc Half ARC :</u>	<u>Adj For Prior</u>	<u>Proposed</u>
	<u>Contribution</u>	<u>No Adj.</u>	<u>Svc -</u>	<u>Non Public</u>
			<u>Combined</u>	<u>Safety - Adj</u>
				<u>Prior Svc</u>
2012	12.09%	6.05%	4.81%	4.55%
2013	13.73%	6.86%	5.07%	4.80%
2014	15.03%	7.52%	5.27%	4.99%
2015	13.73%	6.87%	5.07%	4.80%
2016	16.88%	8.44%	5.57%	5.27%
2017	17.40%	8.70%	5.65%	5.35%

The Full Contribution represents the total employee contribution based on the pension expense, including normal cost and prior service cost. The Allocation of the Half Arc, is simply half of the Full Contribution rate. The Adj for Prior Service Combined reduces prior service cost allocation for administrative cost and prior service cost allocatable to retirees based on their portion of the actuarial accrued liability. The non-public safety - adj for prior service cost, attempts to split the normal cost between public safety and non-public safety. Public safety has a higher percentage of normal.

Milwaukee County

Analysis of Required Contribution based on State Budget Repair Bill

ERS Members only. OBRA is not in these numbers.

EXHIBIT D

Future Full Pension Expense versus Allocable Pension Expense

	Full Pension Expense			Allocated Under Proposal		
	Normal Cost	Prior Service Cost	Full Pension Expense	Normal Cost	Prior Service Cost	Proposed Pens Exp To Be Allocated
2012	\$ 19,480,000	\$ 7,328,000	\$ 26,808,000	\$ 19,480,000	1,830,800	21,310,800
2013	\$ 20,162,000	\$ 11,327,000	\$ 31,490,000	\$ 20,162,000	3,086,600	23,248,600
2014	\$ 20,868,000	\$ 14,827,000	\$ 35,695,000	\$ 20,868,000	4,181,100	25,049,100
2015	\$ 21,598,000	\$ 12,144,000	\$ 33,742,000	\$ 21,598,000	3,313,900	24,911,900
2016	\$ 22,354,000	\$ 20,574,000	\$ 42,928,000	\$ 22,354,000	5,972,800	28,326,800
2017	\$ 23,137,000	\$ 22,668,000	\$ 45,804,000	\$ 23,137,000	6,621,400	29,758,400

The actuary has determined that Normal Cost has a true relationship to active employees, and the actuary is allocating that cost to the groups based upon their pensionable wages. Contributions, as proposed, consist mostly of normal cost allocation. Prior Service Cost is being allocated based on the percentage of the actuarial accrued liability. As a result, the active employees are only 31% of the actuarial accrued liability, so they have a smaller share of that cost. As prior service cost rises, the employee contribution rises slower.

* - employee contributions from contributors only. Non-contributors, as a result, do not make a contribution, and therefore are not part of this number.

EXHIBIT E

Comparison of Employee Contributions based on Full and Allocable Pension Expense

Contribution	Pension Expense	Employee Contib	Proposed Pens Exp To Be Allocated	Proposed Employee Contributions		
	Full Pension Expense	Alloc Half ARC - No Expense Adj.*		Adj For Prior Svc - Combined *	Non Public Safety - Adj Prior Svc *	Pub Safety Only - Adj Prior Svc
2012	\$ 26,808,000	11,706,000	21,310,800	9,306,000	8,807,000	
2013	\$ 31,490,000	13,750,000	23,248,600	10,152,000	9,606,000	
2014	\$ 35,695,000	15,586,000	25,049,100	10,938,000	10,349,000	
2015	\$ 33,742,000	14,733,000	24,911,900	10,878,000	10,294,000	
2016	\$ 42,928,000	18,744,000	28,326,800	12,369,000	11,702,000	
2017	\$ 45,804,000	20,000,000	29,758,400	12,994,000	12,293,000	

The Full Pension Expense represents the annual pension expense, as estimated by the Acutary, over the next several years. The proposed employee contributions, are based on the proposed pension expense to be allocated. Reductions have been made to the pension expense, based on an allocation of prior service costs, between active and retired participants.

* - employee contributions from contributors only. Non-contributors, as a result, do not make a contribution, and therefore are not part of this number.

EXHIBIT F

Variance of Employee Contributions based on Full and Allocable Pension Expense

Employee Contribution Variance	Alloc Half ARC - No Expense Adj.*	Adj For Prior Svc - Combined *	Variance from Est Employee Contrib	Non Public Safety - Adj Prior Svc *	Proposed Variance from Est Employee Contrib
2012	11,706,000	9,306,000	(2,400,000)	8,807,000	(2,899,000)
2013	13,750,000	10,152,000	(3,598,000)	9,606,000	(4,144,000)
2014	15,586,000	10,938,000	(4,648,000)	10,349,000	(5,237,000)
2015	14,733,000	10,878,000	(3,855,000)	10,294,000	(4,439,000)
2016	18,744,000	12,369,000	(6,375,000)	11,702,000	(7,042,000)
2017	20,000,000	12,994,000	(7,006,000)	12,293,000	(7,707,000)

The variance between the Half Arc contribution and the other options, shows a growing gap, as the prior service cost increases in the future years.

Milwaukee County

Analysis of Required Contribution based on State Budget Repair Bill

ERS Members only. OBRA is not in these numbers.

EXHIBIT G

Contribution based on Actual Expense

	<u>Budgeted</u>	<u>Change in Exp</u>	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined Change Contrib</u>	<u>Proposed Non Public Safety - Adj Prior Svc Change Contrib</u>	<u>Actual</u>
2012 \$	31,490,000					\$ 26,808,000
2013 \$	35,695,000	\$ 4,205,000	2,044,000	846,000	799,000	\$ 31,490,000
2014 \$	33,742,000	\$ (1,953,000)	1,836,000	786,000	743,000	\$ 35,695,000
2015 \$	42,928,000	\$ 9,186,000	(853,000)	(60,000)	(55,000)	\$ 33,742,000
2016 \$	45,804,000	\$ 2,876,000	4,011,000	1,491,000	1,408,000	\$ 42,928,000
2017 \$	47,392,000	\$ 1,588,000	1,256,000	625,000	591,000	\$ 45,804,000

Under the current proposal contributions from employees would be based on actual costs and would therefore lag the budgeted pension expense. As can be seen on the table above, in 2015 there is a \$9.1 million increase in pension expense, but a \$55,000 decrease in pension contribution, based on actual expense from the prior year. Actual cost is a better method of determining pension contribution, since it is based on actual experience. Normal cost and plan prior service activity are trued up.

EXHIBIT H

Contribution based on Budgeted Expense

	<u>Budgeted</u>	<u>Change in Exp</u>	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined Change Contrib</u>	<u>Proposed Non Public Safety - Adj Prior Svc Change Contrib</u>	<u>Actual</u>
2012 \$	31,490,000					\$ 26,808,000
2013 \$	35,695,000	\$ 4,205,000	1,836,000	786,000	743,000	\$ 31,490,000
2014 \$	33,742,000	\$ (1,953,000)	(853,000)	(60,000)	(55,000)	\$ 35,695,000
2015 \$	42,928,000	\$ 9,186,000	4,011,000	1,491,000	1,408,000	\$ 33,742,000
2016 \$	45,804,000	\$ 2,876,000	1,256,000	625,000	591,000	\$ 42,928,000
2017 \$	47,392,000	\$ 1,588,000	1,256,000	625,000	591,000	\$ 45,804,000

Under a modified proposal contributions from employees would be based on budgeted costs and would therefore match the actual expense. As can be seen on the table above, in 2015 there is a \$9.1 million increase in pension expense, but a \$1,408,000 increase in pension contribution, based on actual expense from the prior year.

Milwaukee County
 Analysis of Required Contribution based on State Budget Repair Bill
 ERS Members only. OBRA is not in these numbers.

EXHIBIT I
Contrib By Union 2012 - If Annualized Full Contribution

	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined</u>	<u>Proposed Non Public Safety - Adj Prior Svc</u>	<u>Pub Safety Only - Adj Prior Svc</u>
	6.05%	4.81%	4.55%	6.58%
Attorneys	297,700	236,600	224,000	
Bldg Trades	330,500	262,700	248,600	
Dist Council 48	6,786,600	5,395,100	5,105,900	
Dist Counc Seas	38,800	30,800	29,200	
Firefighter				67,400
Machinists	18,000	14,300	13,600	
Non Represented	3,025,400	2,405,100	2,276,200	
Nurses	1,014,700	806,700	763,400	
State Prosecutors	52,900	42,100	39,800	
Sheriff Deputies				1,781,300
Teamco	141,400	112,600	106,300	
	<u>11,706,000</u>	<u>9,306,000</u>	<u>8,807,000</u>	<u>1,848,700</u>

This schedule shows the breakdown in employee contributions by Union, under the different scenarios. The effective date is different for different unions depending on their contract expiration date.

EXHIBIT J
2012 Contribution Netted for Revenue Offset

	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined</u>	<u>Proposed Non Public Safety - Adj Prior Svc</u>	<u>Pub Safety Only - Adj Prior Svc</u>
Attorneys	222,800	177,100	167,700	
Bldg Trades	252,900	201,000	190,300	
Dist Council 48	4,719,400	3,751,800	3,550,700	
Dist Counc Seas	38,800	30,800	29,200	
Firefighter	-	-	-	-
Machinists	17,800	14,200	13,500	
Non Represented	2,541,100	2,020,100	1,911,800	
Nurses	950,800	755,900	715,400	
State Prosecutors	37,000	29,500	27,900	
Sheriff Deputies	-	-	-	1,781,300
Teamco	137,200	109,200	103,100	
	<u>8,917,800</u>	<u>7,089,600</u>	<u>6,709,600</u>	<u>1,781,300</u>

This schedule shows the breakdown in employee contributions by Union, under the different scenarios. The effective date is different for different unions depending on their contract expiration date. This shows the impact after revenue offset.

Milwaukee County

Analysis of Required Contribution based on State Budget Repair Bill
ERS Members only. OBRA is not in these numbers.

EXHIBIT K

Contrib By Union 2011 - If Annualized Full Contribution

Assume a four month contribution

	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined</u>	<u>Proposed Non Public Safety - Adj Prior Svc</u>
	6.05%	4.81%	4.55%
Attorneys			
Bldg Trades			
Dist Council 48	2,262,200	1,798,367	1,701,967
Dist Counc Seas	12,933	10,267	9,733
Firefighter			
Non Represented Budgeted	1,500,000	1,500,000	1,500,000
Non Represented Additional Contribution	500,066	397,537	376,231
Nurses			
State Prosecutors			
Sheriff Deputies			
Teamco			
	<u>4,275,200</u>	<u>3,706,171</u>	<u>3,587,931</u>
Budgeted	1,500,000	1,500,000	1,500,000
Addl Contributions	<u>2,775,200</u>	<u>2,206,171</u>	<u>2,087,931</u>

EXHIBIT L

2011 Contribution Netted for Revenue Offset

	<u>Alloc Half ARC - No Adj.</u>	<u>Adj For Prior Svc - Combined</u>	<u>Proposed Non Public Safety - Adj Prior Svc</u>
Attorneys			
Bldg Trades			
Dist Council 48	\$ 1,573,133	\$ 1,250,600	\$ 1,183,567
Dist Counc Seas	12,933	10,267	9,733
Firefighter			
Non Represented Budgeted	1,260,000	1,260,000	1,260,000
Non Represented Additional Contribution	420,017	333,901	316,000
Nurses			
State Prosecutors			
Sheriff Deputies			
Teamco			
	<u>\$ 3,266,083</u>	<u>\$ 2,854,767</u>	<u>\$ 2,769,300</u>
Budgeted	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Addl Savings	<u>\$ 2,006,083</u>	<u>\$ 1,594,767</u>	<u>\$ 1,509,300</u>

COUNTY OF MILWAUKEE
Labor Relations
INTER-OFFICE COMMUNICATION

DATE: March 02, 2011
TO: Chairman Lee Holloway, County Board of Supervisors
FROM: Fredrick J. Bau, Interim Director of Labor Relations
SUBJECT: **Request to Increase Funds for the Amedo Greco Contract**

Request:

Section 46.09 of the Milwaukee County Code of General Ordinances requires County Board approval for the purchase of human services from non-governmental vendors. Therefore, the Director, Department of Labor Relations, is requesting to amend the Amedo Greco contract to increase the do not exceed limit by \$20,001.

Background:

The Memorandum of Agreement (MOA) between Milwaukee County and Milwaukee County District Council 48, AFSCME, AFL-CIO contains a provision requiring us to jointly employ a permanent umpire to resolve disputes in the grievance process. Specifically, Section 4.05(1) of the MOA States:

"To assist in the resolution of disputes arising under the terms of this Memorandum of Agreement and in order to provide an impartial forum to resolve such disputes, the parties agree to appoint an impartial umpire who shall act in each area of dispute as hereinafter provided. Such umpire shall be selected by mutual agreement between the Union and the Personnel Committee of the County Board of Supervisors and shall be compensated for his/her services in a manner, which is mutually satisfactory to the County, the Union, and the Umpire. He/she shall serve for a period of one year from the date of his/her appointment except that his/her term of office may be extended from time to time by mutual agreement of all parties."

In 2009, Amedo Greco was chosen by Labor Relations, the Union, and was reviewed by the Personnel Committee to be the permanent umpire for Milwaukee County.

Currently, the contract has a "do not exceed limit" of \$49,999. This request would increase the contract limit by \$20,001.

Recommendation:

It is recommended that the Milwaukee County Board of Supervisors authorize the amendment of the Amedo Greco contract by an increase of \$20,001, to ensure that expenses for the permanent arbitrator do not exceed current contract limits.

Fiscal Effect:

Funding for this amendment is contained in the Department of Labor Relations' 2011 Budget. There is no increased tax levy required.

cc: John Ruggini, Interim Fiscal & Budget Administrator
Richard Ceschin, County Board Staff
Jodi Mapp, Personnel Committee Clerk

Agreement

This Agreement made and entered on the 1st day of May, 2009, by and between the County of Milwaukee, hereinafter referred to as "County," Milwaukee District Council 48, American Federation of State, County, and Municipal Employees, AFL-CIO, hereinafter referred to as "Union," and Amedeo Greco, hereinafter referred to as "Arbitrator."

Witnesseth:

1. The County and the Union hereby appoint Amedeo Greco within the meaning of Section 4.05 of their collective bargaining agreement. This appointment is for a period beginning May 1, 2009 and ending December 31, 2010.
2. During the period of appointment, the duties of the Permanent Arbitrator shall be performed in accordance with the pertinent provisions of the collective bargaining agreements between the County and the Union, and addenda attached thereto, and any amendments or modifications subsequently attached thereto, all of which are incorporated herein by reference.
3. Arbitrator shall hold himself reasonably available to perform the duties of Permanent Arbitrator. However, Arbitrator shall not receive the monthly retainer should he take a leave of absence. If Arbitrator takes a leave of absence, which shall be for no more than six (6) months, Arbitrator shall provide the parties with at least sixty (60) days' advance notice. The parties agree that the Arbitrator shall set four (4) dates per month, and such dates shall be scheduled on days which are acceptable to all parties. Arbitrator agrees that additional dates for additional cases shall be scheduled at a time mutually agreed upon by all parties on an as-needed basis. It is further understood by the parties that the number of arbitration dates are for the use by the County and the Union.
4. Nothing in this agreement shall prevent Arbitrator from engaging in private practice as a professional neutral in dispute resolution or in any other pursuit not in conflict with the position of Permanent Arbitrator, but only to the extent that such practice or other pursuit permits Arbitrator to be reasonably available to perform the duties of Permanent Arbitrator.
5. The County and the Union shall provide suitable room(s) within Milwaukee County for the Conduct of arbitration hearings.
6. Arbitrator shall bear the expense incurred by him in his performance of Permanent Arbitrator duties, such as: mileage, meals, typing, and duplicating services, materials and equipment, postage and the maintenance and equipping of a suitable work location outside of County and Union premises, but within a reasonable distance of Milwaukee County.

7. In consideration of Arbitrator's agreement to the terms of this Agreement, the County and the Union shall each pay one-half of the following fees:
 - a. A retainer, consisting of Two Thousand Dollars (\$2,000) per month, payable on the first (1st) day of each calendar month for the duration of this Agreement.
 - b. A per diem rate in accordance with the standards noted in 8.a. and 8.b. consisting of Seven Hundred and Twenty Dollars (\$720).
8. At the time Arbitrator completes work on a case, he shall promptly submit to the County, the Union, and to the treasurer of the affected Local his bill, with respect to that case, specifying the following matters:
 - a. The date(s) of hearing (including conferences and site inspections) held in the case and the number of eight (8) hour days or any part thereof spent in such hearings and breaks during and between hearings on any given day. The full per diem fee, as specified herein, shall be paid for any amount of time spent in hearing
 - b. The number of eight (8)hour workdays to the eighth of a day, spent in case-related preparation (including correspondence, telephone communications, administration and record-keeping, pre-hearing research, if any, record review, post hearing, decision-writing, editing and distribution).
 - c. Case-related travel between the hearing location and Arbitrator's work location shall be reimbursed at Ninety Dollars (\$90.00).
 - d. When a hearing in a matter is commenced, but is not completed within three (3) months of the original date of the hearing, Arbitrator may send the County and the Union an interim bill for time spent in hearing and preparation during the resolution of such matter.
9. The cancellation or postponement of a hearing shall not entail a separate fee in addition to that, if any, otherwise arising under the standards set forth in 8.a. and 8.b. and 8.c., above.
10. The County and the Union shall pay as soon as possible after receipt of a bill. Union bills shall be sent to and paid by Milwaukee District Council 48, which shall be the entity responsible for payment of all bills sent to it by Arbitrator. Any reimbursement to Milwaukee District Council 48 by any Local of the District Council shall be the sole responsibility of Milwaukee District Council 48 to arrange. However, such Local reimbursement or the delay of such Local reimbursement shall not cause a delay in the payment to Arbitrator by Milwaukee District Council 48.
11. The monthly retainer shall be mailed to Arbitrator no later than five (5) calendar days subsequent to the first (1st) day of any month subject to this Agreement.

Furthermore, bills submitted by Arbitrator under paragraphs 7 and 8 above shall be paid within forty-five (45) days of the date of the bill.

12. Arbitrator shall issue a written decision within forty-five (45) days of the date of the completion of any hearing or within forty-five (45) days of the date that the last brief is submitted in any grievance. This provision may be waived with the consent of both Milwaukee County and Milwaukee District Council 48, AFSCME, AFL-CIO.
13. County and Union further reserves the right to terminate this Agreement at any time for any reason by giving Contractor Sixty (60) days' written notice by Certified Mail of such termination. In the event of said termination, Contractor shall reduce its activities hereunder as mutually agreed to, upon receipt of said notice. Upon said termination, Contractor shall be paid for all services rendered through the date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT Dated at Milwaukee, Wisconsin, this 1st day of May, 2009.


For MILWAUKEE COUNTY Date 5-12-09

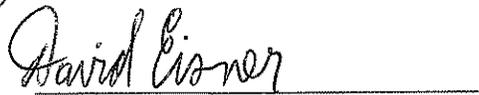
Quedes Theco 3/31/2009
For CONTRACTOR Date

MILWAUKEE DISTRICT COUNCIL 48,
AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL EMPLOYEES,
AFL-CIO/CIO, and its appropriate
affiliated Locals, termed "Union"

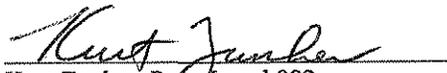

Richard Abelson, Executive Director


Joann Marczewski, Pres. Local 170

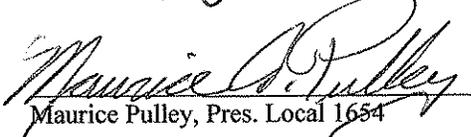

Kevin Schoofs, Pres. Local 567


David Eisner, Pres. Local 594


Beth Werve, Pres. Local 645


Kurt Zunker, Pres. Local 882

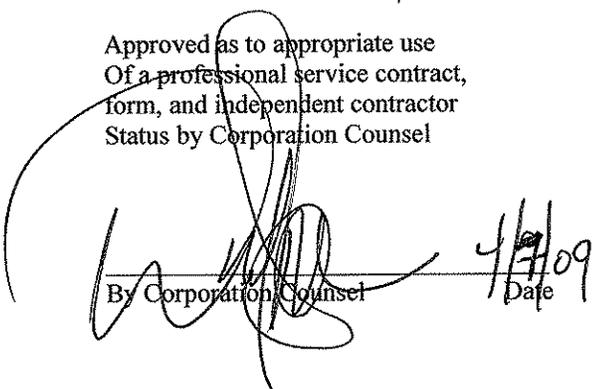

Milton Bartelme, Pres. Local 1055

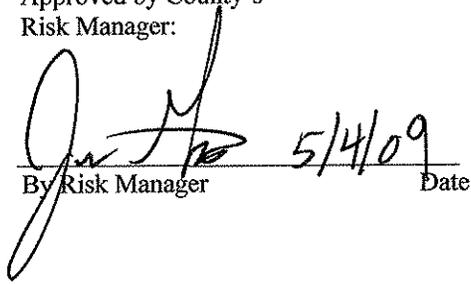

Maurice Pulley, Pres. Local 1654


Rodney W. Harris, Pres. Local 1656

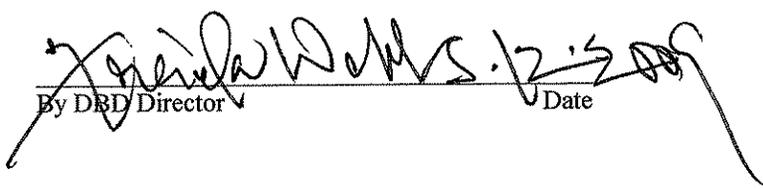
Approved as to appropriate use
Of a professional service contract,
form, and independent contractor
Status by Corporation Counsel

Approved by County's
Risk Manager:


By Corporation Counsel Date 4/7/09


By Risk Manager Date 5/4/09

Approved with regards to Chapter 42
County General Ordinances:


By DED Director Date

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

From the Interim Director, Department of Labor Relations, requesting authorization to amend the Amedo Greco contract, by an increase of \$20,001, to ensure that expenses for arbitration do not exceed current contract limits, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the Director of Labor Relations has indicated that the possibility exists that Milwaukee County may need to arbitrate grievances with the Milwaukee County unions; and

WHEREAS, the Director of Labor Relations has requested the authority to amend the Amedo Greco contract to exceed current limits by \$20,001; and

WHEREAS, Milwaukee County Ordinance 56.30 requires County Board approval for all professional service contracts that are amended or extended to provide additional reimbursement beyond \$50,000; and

WHEREAS, the costs will exceeded the current balance of \$3,247 available of the do not exceed amount of \$49,999 in the Amedo Greco contract; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby authorizes the Director of the Department of Labor Relations to amend the Amedo Greco contract by increasing the amount by \$20,001 to a do not exceed limit of \$70,000.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 03/02/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to increase funds for Amedo Greco Contract

FISCAL EFFECT:

No Direct County Fiscal Impact
Expenditures

Increase Capital

Existing Staff Time Required

Decrease Capital

Expenditures

Increase Operating Expenditures
(If checked, check one of two boxes below)

Increase Capital Revenues

Absorbed Within Agency's Budget

Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures

Use of contingent funds

Increase Operating Revenues

Decrease Operating Revenues

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	20,001	
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will authorize the amendment of the Amedo Greco contract by an increase of \$20,001 to ensure that expenses for arbitration do not exceed contract limits of \$49,999.

The current contract with Amedo Greco has a balance of \$3,247 encumbered.

Funds for this action has been budgeted in the 2011 Labor Relations Budget

Department/Prepared By Labor Relations/Michael Bickerstaff

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.
Personnel - June 17, 2011 - Page 81

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

11

Date: June 7, 2011
To: Supervisor Joe Sanfelippo, Chair, Committee on Personnel
From: Frederick J. Bauer, Interim Director of Labor Relations
RE: Informational Report for June 17, 2011 Personnel Committee Meeting

Attached is an informational report listing all collateral agreements that have been signed and implemented from February 26, 2011 through June 7, 2011.

The collateral agreement report is provided in accordance with the provisions of Chapter 80.04 of the General Ordinances of Milwaukee County and may be included on the agenda of the June 17, 2011 Personnel Committee Meeting for informational purposes only.

cc: Cynthia (CJ) Pahl, Acting Asst. Fiscal & Budget Administrator
Richard Ceschin, County Board Staff
Jodi Mapp, Personnel Committee Clerk

Collateral Agreements Report
 Personnel Committee Meeting
 June 17, 2011

In accordance with the provisions of 80.04 of the County General Ordinances, and their respective labor agreements, the Director of Labor Relations is reporting the following collateral agreements.

Signed	Union	County Department	Subject	Details
03/01/11	Milwaukee District Council 48 AFSCME-Local 1654	Behavioral Health Division	Waiver of compensatory time for overtime	Waiver of compensatory time for overtime--cash payment only, beginning 03/01/11 through 03/31/11.
03/15/11	Milwaukee District Council 48 AFSCME-Local 645	Behavioral Health Division	Rules governing Psychiatric Social Worker (Pool)	Rules governing PSW (pool) positions for the purpose of bridging the gap between social worker vacancies and the hiring of new social workers.
03/17/11	Milwaukee District Council 48 AFSCME-Local 170	Behavioral Health Division	Transfer policy	Collateral to "relax" the MOA language involving transfers. Collateral will be reviewed in June of 2011 and may be extended for a maximum of three (3) months.
05/09/11	Milwaukee District Council 48 AFSCME-Local 645	Behavioral Health Division	Waiver of compensatory time for overtime	Employee Rosmarie Forster agree to wave overtime of over eight hours in the day for flex-time scheduling. Expires 12/31/2012 or when either management or the employee wish to discontinue the program.

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

12

Date: May 23, 2011
To: Supervisor Lee Holloway, Chairman
Milwaukee County Board of Supervisors
From: Fredrick J. Bau  Interim Director of Labor Relations
RE: Ratification of the 2012 Memorandum of Agreement between Milwaukee County and the Federation of Nurses and Health Professionals

Milwaukee County has reached an understanding with the bargaining team for the Federation of Nurses and Health Professionals that establishes a memorandum of agreement for 2012.

I am requesting that this item be placed on the May 26, 2011 agenda for the special joint meeting of Finance and Audit Committee and of the Personnel Committee as an action item. If the Committees' would like to meet in closed session to discuss the changes first, please request that the Committee make appropriate arrangements when noticing the meeting.

The following documents will be provided to the Committees for their review:

- 1) A comparison copy agreed upon language for each MOA. These copies contain both the old and new contract language. The old language will be indicated with "~~strike through~~" and the new language will be "underlined";
- 2) A Union notification that the MOAs was ratified by the membership;
- 3) A draft Resolution approving the MOAs, this will also be provided electronically to the appropriate committee clerks;
- 4) The Department of Administrative Services (DAS) is preparing a fiscal note, which will be reviewed by the Department of Audit and County Board Staff. The finalized fiscal note will be sent to the Committees by DAS as soon as it is completed.

If you have any questions, please call me at 223-1932.

cc: County Board of Supervisors
Stephen Cady, County Board Staff
Richard Ceschin, County Board Staff
Terrence Cooley, Chief of Staff, County Board
Jerome Heer, Director, Dept. of Audit
Scott Manske, Controller, DAS
Candace Richards, Interim Director of Human Resources
John Jorgensen, Acting Corporation Counsel
Cynthia (CJ) Pahl, Acting Asst. Fiscal & Budget Administrator.
George Aldrich, Chief of Staff, Office of the County Executive
Jodi Mapp, Personnel Committee Clerk
Carol Mueller, Finance and Audit Committee Clerk



**Wisconsin Federation
of Nurses & Health
Professionals** AFT
AFL-CIO 

A Union of Professionals

9620 West Greenfield Ave.
West Allis, WI 53214-2601
T: 414/475-6065
800/828-2256
F: 414/475-5722
www.wfnhp.org

May 24, 2011

Mr. Fred Bau, Action Director
Milwaukee County
Department of Labor Relations
Milwaukee County Courthouse
901 N. 9th Street – Room 302
Milwaukee, WI 53233

Dear Mr. Bau:

This is to inform you that the Wisconsin Federation of Nurses and Health Professionals, Local 5001, AFT, AFL-CIO, has ratified the agreement reached with Milwaukee County for the 2012 contract.

I want to also offer my personal thanks and appreciation for your assistance with these negotiations. I believe both Milwaukee County and the members of Local 5001 were well served by your efforts and the actions of the Personnel Committee.

Sincerely,



Candice Owley, R.N.
President, WFNHP Local 5001

CO/DAK

1w/md/mc/ratification5-24-11

- Local 5001*
Dynacare Laboratories
Milwaukee County
St. Francis Hospital
- Local 5011*
Sheboygan City
Professionals
Sheboygan County
Health Care Centers
Sheboygan County
Divisions of Public Health &
Community Programs
- Local 5012*
Memorial Hospital of
Burlington
- Local 5024*
Dodge County Public
Health & Human Services
- Local 5032*
Clement J Zablocki Veterans
Administration Medical
Center
- Local 5033*
Langlade Memorial Hospital
- Local 5034*
Eagle River Memorial
Hospital
- Local 5035*
Middle River Health &
Rehabilitation Center
- Local 5037*
Wood County Health
Department
- Local 5038*
West Allis Health
Department
- Local 5039*
Ridgewood Care Center
- Local 5040*
Cumberland Memorial
Hospital
- Local 5061*
Brookside Care Center
Kenosha County Division of
Health
- Local 5068*
Manitowoc County Health
Department
- Local 5084*
Columbia County
Department of Health &
Human Services

An affiliate of the
American Federation
of Teachers, AFL-CIO

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

~~2009-2011~~ 2012
AGREEMENT
BETWEEN
COUNTY OF MILWAUKEE
AND
FEDERATION OF NURSES AND HEALTH PROFESSIONALS
LOCAL 5001, AFT, AFL-CIO

1.04 DURATION OF AGREEMENT

(1) The provisions of this Agreement shall become effective January 1, ~~2009~~ 2012, unless otherwise herein provided. Unless otherwise modified or extended by mutual agreement of the parties, this Agreement shall expire on December 31, ~~2011~~ 2012. If during the term of this Agreement the State Legislature modifies the educational requirements for the licensure of Registered Nurses, the County agrees to meet with the Federation for the singular purpose of negotiating the impact of such legislative action on wages, hours and conditions of employment.

2.01 WAGES

~~(1)~~ Effective Pay Period One (1) 2010, (~~December 27, 2009~~) wages of bargaining unit employees shall be increased by one and one quarter percent (1.25%).

~~(2)~~ Effective Pay Period Fourteen (14) 2010, (~~June 27, 2010~~) wages of bargaining unit employees shall be increased by one percent (1%).

~~(3)~~ Effective Pay Period One (1) 2011, (~~December 26, 2010~~) wages of bargaining unit employees shall be increased by one and one quarter percent (1.25%).

~~(4)~~ Effective Pay Period Fourteen (14) 2011, (~~June 26, 2011~~) wages of bargaining unit employees shall be increased by one percent (1%).

~~(1)(5)~~ The adjusted salary schedules are detailed in Appendix B.

~~(2)(6)~~ The County may reopen the Agreement at any time during its term for the sole purpose of discussing economic benefits.

~~(3)(7)~~ The following formula is established for payment of steps in the range to employees:

<u>Years of Recent Experience</u>	<u>Hiring Step</u>
0 - 1	First Step
1 - 2	Second Step

1	2 - 3	Third Step
2	3 - 4	Fourth Step
3	More than 4 years	Fifth Step

4 This formula is not applicable to the new classifications of Occupational Therapists and
5 Music Therapists

6 ~~(4)(8)~~ Payment of steps in the range other than as above requires the approval of the Director of
7 Human Resources.

8 ~~(5)(9)~~ The Federation of Nurses and Health Professionals shall be notified of any petition of the
9 Director of Human Resources to modify or deviate from the above formula.

10 ~~(6)(10)~~ Employees hired at a step in the pay range higher than the first on account of certified
11 experience shall be paid the appropriate rate from date of hire.

12 ~~(7)(11)~~ Employees shall advance from one step in the range to the next higher step based upon
13 meritorious performance at each step of at least 2,080 hours of straight time hours
14 worked and upon completion of a performance appraisal by the appointing authority or
15 designee. Effective January 01, 2012, all step increases provided for in Chapter 17 of the
16 Milwaukee County General Ordinances are eliminated for a twelve (12) month period.

17 ~~(12) Effective Pay Period Thirteen (13) 2010, (June 13, 2010), pay range 26NT is created with~~
18 ~~the following steps:~~

<u>Step</u>	<u>Hourly Pay</u>
1	26.59
2	27.79
3	29.04
4	30.34
5	31.71

25 ~~(13) Effective Pay Period Thirteen (13) 2010, (June 13, 2010), all positions of Occupational~~
26 ~~Therapists 1 (pay range 18NT), Occupational Therapists 2 (pay range 22NT), and~~
27 ~~Occupational Therapists 3 (pay range 24NT) shall be re-titled to Occupational Therapist~~
28 ~~and reallocated to pay range 26NT. Placement of employees into the new pay range shall~~
29 ~~be in accordance with (15) below.~~

30 ~~(14) Effective Pay Period Thirteen (13) 2010, (June 13, 2010), all Employees in the~~
31 ~~classifications of Music Therapists 1 (pay range 18NT), and Music Therapists 2 (pay~~
32 ~~range 22NT) shall be re-titled to Music Therapist and reallocated to pay range 26NT.~~
33 ~~Placement of employees into the new pay range shall be in accordance with (15) below.~~

1 (15) ~~The following formula is established for initial payment of steps in pay range 26NT to~~
2 ~~employees moving into the classifications of Occupational Therapists and Music~~
3 ~~Therapists in 2010:~~

_____	Years of County Service	_____	Hiring Step
_____	Under Five (5) Years	_____	First Step
_____	Between 5 to 10 Years	_____	Second Step
_____	Over Ten (10) Years	_____	Third Step

8 (16) ~~Effective January 1, 2010, all employees that are in classifications in Pay Range~~
9 ~~17NZ will be reallocated to Pay Range 18N upon the beginning of the following~~
10 ~~pay period upon reaching their merit date. Current incumbents of positions in~~
11 ~~classifications in Pay Range 17NZ will be moved to the step in Pay Range 18N~~
12 ~~that provides at least a ten cent (\$0.10) per hour increase in pay. Effective~~
13 ~~December 31, 2010, Pay Range 17NZ will be abolished.~~

15 2.02 OVERTIME

16 (1) Overtime shall be defined as hours worked in excess of ~~8 per day or~~ forty (40) per week
17 for all bargaining unit employees. Overtime shall be compensated or liquidated at time
18 and one-half unless otherwise specified in this Contract.

20 2.11 RETIREMENT SYSTEM

21 (14) For all employees who became members of the employees retirement system after
22 January 1, 1971, all pension service credit earned on and after January 1, 2012 shall be
23 credited in an amount equal to 1.6% of the member's final average salary, who at the
24 time the service credit is earned, is covered by the terms of this agreement.

25 (15) An employee whose initial membership in the retirement system began on or after
26 January 1, 2012 and began while covered by the terms of this agreement shall be eligible
27 for a normal pension if his or her employment is terminated on or after he or she has
28 attained age fifty-five (55) and has completed thirty (30) years of service, or if his or her
29 employment is terminated on or after he or she has attained age sixty-four (64).

30 (16) Mandatory employee contributions.

31 (a) Each employee of the Employees' Retirement System, shall contribute to the
32 retirement system a percentage of the "Member's Compensation" according to (b).
33 "Member Compensation" shall include all salaries and wages of the member,
34 except for the following: overtime earned and paid; any expiring time paid such

1 as overtime, and holiday; and injury time paid; and any supplemental time paid
2 such as vacation or earned retirement.

3 (b) Contribution percentage: The percentage shall be as follows: When authorized
4 by State Law or effective January 1, 2012, whichever is later, a contribution of
5 one-half (1/2) of the Annual Required Contribution (ARC) to the Employees'
6 Retirement System or, in the absence of State Law, effective January 1, 2012, a
7 four percent (4%) employee contribution to the Employees' Retirement System.

8
9 2.20 EMPLOYEES' HEALTH AND DENTAL BENEFITS

10 (1) Health and Dental Benefits shall be provided for in accordance with the terms and
11 conditions of the current Plan Document and the Group Administrative Agreement
12 for the Milwaukee County Health Insurance Plan or under the terms and
13 conditions of the insurance contracts of those Managed Care Organizations
14 (Health Maintenance Organizations or HMO) approved by the County.

15 (2) Eligible employees may choose health benefits for themselves and their
16 dependents under a Preferred Provider Organization (County Health Plan or PPO)
17 or HMO approved by the County.

18 (3) All eligible employees enrolled in the PPO or HMO shall pay a monthly amount toward
19 the monthly cost of health insurance as described below:

20 (a) ~~Effective January of 2009, employees enrolled in the PPO shall pay seventy-five~~
21 ~~dollars (\$75.00) per month toward the monthly cost of a single plan and one~~
22 ~~hundred fifty dollars (\$150.00) per month toward the monthly cost of a family~~
23 ~~plan.~~

24 (b) ~~Effective January of 2010, employees enrolled in the PPO shall pay ninety dollars~~
25 ~~(\$90.00) per month toward the monthly cost of a single plan and one hundred~~
26 ~~eighty dollars (\$180.00) per month toward the monthly cost of a family plan.~~

27 (c) ~~Effective January of 2011~~2012, employees enrolled in the PPO shall pay ~~one~~
28 ~~hundred ten dollars (\$110.00)~~ seventy-five dollars (\$75.00) per month toward the
29 monthly cost of a single plan and ~~two hundred twenty dollars (\$220.00)~~ one
30 hundred fifty dollars (\$150.00) per month toward the monthly cost of a family
31 plan.

1 ~~(d)~~ Effective January of 2009, employees enrolled in the HMO shall pay thirty five
2 dollars (\$35.00) per month toward the monthly cost of a single plan and seventy
3 dollars (\$70.00) per month toward the monthly cost of a family plan.

4 ~~(e)~~ Effective January of 2010, employees enrolled in the HMO shall pay fifty dollars
5 (\$50.00) per month toward the monthly cost of a single plan and one hundred
6 dollars (\$100.00) per month toward the monthly cost of a family plan.

7 ~~(f)~~(b) Effective January of ~~2011~~ 2012, employees enrolled in the HMO shall pay
8 ~~seventy dollars (\$70.00)~~ seventy-five dollars (\$75.00) per month toward the
9 monthly cost of a single plan and ~~one hundred forty dollars (\$140.00)~~ one
10 hundred fifty dollars (\$150.00) per month toward the monthly cost of a family
11 plan.

12 ~~(g)~~(c) The appropriate payment shall be made through 24 equal payroll deductions.
13 When there are not enough net earnings to cover such a required contribution, and
14 the employee remains eligible to participate in a health care plan, the employee
15 must make the payment due within ten working days of the pay date such a
16 contribution would have been deducted. Failure to make such payment will cause
17 the insurance coverage to be canceled effective the first of the month for which
18 the premium has not been paid.

19 ~~(h)~~(d) The County shall deduct employees' contributions to health insurance on a pre-tax
20 basis pursuant to a Section 125 Plan. Other benefits may be included in the
21 Section 125 Plan as mutually agreed upon by the County and the Union. Such
22 agreement would be by collateral agreement to this contract.

23 ~~(i)~~(e) The County shall establish and administer Flexible Spending Accounts (FSA's) for
24 those employees who desire to pre-fund their health insurance costs as governed by
25 IRS regulations. The County retains the right to select a third party administrator.

26 (4) In the event an employee who has exhausted accumulated sick leave is placed on leave of
27 absence without pay status on account of illness, the County shall continue to pay the
28 monthly cost or premium for the Health Plan chosen by the employee and in force at the
29 time leave of absence without pay status is requested, if any, less the employee
30 contribution during such leave for a period not to exceed one (1) year. The 1-year period
31 of limitation shall begin to run on the first day of the month following that during which
32 the leave of absence begins. An employee must return to work for a period of sixty (60)
33 calendar days with no absences for illness related to the original illness in order for a new
34 1-year limitation period to commence.

- 1 (5) Where both husband and wife are employed by the County, either the husband or the wife
2 shall be entitled to one family plan. Further, if the husband elects to be the named
3 insured, the wife shall be a dependent under the husband's plan, or if the wife elects to be
4 the named insured, the husband shall be a dependent under the wife's plan. Should
5 neither party make an election the County reserves the right to enroll the less senior
6 employee in the plan of the more senior employee.
- 7 (6) Coverage of enrolled employees shall be in accordance with the monthly enrollment
8 cycle administered by the County.
- 9 (7) Eligible employees may continue to apply to change their health plan to one of the
10 options available to employees on an annual basis. This open enrollment shall be held at
11 a date to be determined by the County and announced at least forty-five (45) days in
12 advance.
- 13 (8) The County shall have the right to require employees to sign an authorization enabling
14 non-County employees to audit medical and dental records. Information obtained as a
15 result of such audits shall not be released to the County with employee names unless
16 necessary for billing, collection, or payment of claims.
- 17 (9) The County reserves the right to terminate its contracts with its health plans and enter
18 into a contract with any other administrator. The County may terminate its contract
19 with its current health plan administrator and enter into a replacement contract with any
20 other qualified administrator or establish a self-administered plan provided:
- 21 (a) That the cost of any replacement program shall be no greater to individual
22 group members than provided in par. (3) above immediately prior to
23 making any change.
- 24 (b) That the coverages and benefits of such replacement program shall remain
25 the same as the written Plan Document currently in effect for employees
26 ~~and retirees~~.
- 27 (c) Prior to a substitution of a Third Party Administrator (TPA)
28 or implementing a self-administered plan, the County agrees to provide the
29 Union with a full 60 days to review any new plan and/or TPA.
- 30 (10) The County reserves the right to establish a network of Preferred Providers. The
31 network shall consist of hospitals, physicians, and other health care providers
32 selected by the County. The County reserves the right to add, modify or delete
33 any and all providers under the Preferred Provider Network.

- 1 (11) Upon the death of any retiree, only those survivors eligible for health insurance
2 benefits prior to such retiree's death shall retain continued eligibility for the
3 Employee Health Insurance Program.
- 4 (12) Employees hired after September 27, 1995, may upon retirement opt to continue
5 their membership in the County Group Health Benefit Program upon payment of
6 the full monthly cost.
- 7 (13) All eligible employees enrolled in the PPO or HMO shall have a deductible equal
8 to the following:
- 9 (a) ~~The in-network deductible shall be one hundred fifty dollars (\$150.00) per~~
10 ~~insured, per calendar year; four hundred fifty dollars (\$450.00) per family,~~
11 ~~per calendar year.~~ The in-network deductible for the PPO shall be five
12 hundred dollars (\$500.00) per insured, per calendar year; one thousand
13 dollars (\$1,000.00) for a two-member family, per calendar year; or one
14 thousand five hundred dollars (\$1,500.00) for a three-member or more
15 family, per calendar year.
- 16 (b) ~~The out-of-network deductible shall be four hundred dollars (\$400.00) per~~
17 ~~insured, per calendar year; one thousand two hundred dollars (\$1,200.00) per~~
18 ~~family, per calendar year.~~ The out-of-network deductible for the PPO shall be one
19 thousand dollars (\$1,000.00) per insured, per calendar year; two thousand dollars
20 (\$2,000.00) for a two-member family, per calendar year; or three thousand dollars
21 (\$3,000.00) for a three-member or more family, per calendar year.
- 22 (c) The deductible for the HMO shall be five hundred dollars (\$500.00) per insured,
23 per calendar year; one thousand dollars (\$1,000.00) for a two-member family, per
24 calendar year; one thousand five hundred dollars (\$1,500.00) for a three or more
25 member family, per calendar year.
- 26 (d) Co-payments do not apply towards meeting deductibles for the HMO or PPO.
- 27 (14) All eligible employees and/or their dependents enrolled in the PPO shall be subject to a
28 ~~twenty dollar (\$20.00)~~ thirty dollar (\$30.00) in-network office visit co-payment or ~~forty~~
29 ~~dollar (\$40.00)~~ sixty dollar (\$60.00) out-of-network office visit co-payment for all illness
30 or injury related office visits. The in-network office visit co-payment shall not apply to
31 preventative care, ~~which includes prenatal, baby-wellness, and physicals,~~ as determined
32 by the plan.
- 33 (15) All eligible employees and/or their dependents enrolled in the PPO shall be subject to a

1 co-insurance co-payment after application of the deductible and/or office visit co-
2 payment.

3 (a) The in-network co-insurance co-payment shall be equal to ten percent (10.00%)
4 of all charges subject to the applicable out-of-pocket maximum,

5 (b) ~~The out-of-network co-insurance co-payment shall be equal to twenty percent~~
6 ~~(20.00%) of all charges subject to the applicable out-of-pocket maximum,~~

7 (c) ~~Effective January of 2010, the out-of-network co-insurance co-payment shall be~~
8 ~~equal to thirty percent (30.00%) of all charges subject to the applicable out-of-~~
9 ~~pocket maximum.~~

10 (c) Co-insurance does not apply to those services that require a fixed amount co-
11 payment.

12 (d) The in-network co-insurance shall not apply to preventative care, as determined
13 by the plan.

14 (16) All eligible employees enrolled in the PPO shall be subject to the following out-of-pocket
15 expenses including any applicable deductible and percent co-payments to a calendar year
16 maximum of:

17 (a) ~~one thousand five hundred dollars (\$1,500.00)~~ two thousand five hundred dollars
18 (\$2,500.00) in-network under a single plan.

19 (b) ~~two thousand five hundred dollars (\$2,500.00)~~ five thousand dollars (\$5,000.00)
20 in-network under a family plan.

21 (c) ~~three thousand dollars (\$3,000.00)~~ five thousand dollars (\$5,000.00) out-of-
22 network under a single plan.

23 (d) ~~five thousand dollars (\$5,000.00)~~ seven thousand five hundred dollars (\$7,500.00)
24 out-of-network under a family plan.

25 (e) Office visit co-payments are not limited and do not count toward the calendar
26 year out-of-pocket maximum(s).

27 (f) Charges that are over usual and customary do not count toward the calendar year
28 out-of-pocket maximum(s).

29 (g) Prescription drug co-payments do not count toward the calendar year out-of-
30 pocket maximum(s).

31 (h) Other medical benefits not described in 16 (e), (f), and (g) shall be paid by the
32 County at 100% after the calendar year out-of-pocket maximum(s) has been
33 satisfied.

34 (17) All eligible employees and/or their dependents enrolled in the PPO shall pay a ~~fifty dollar~~

1 ~~(\$50.00)~~ one hundred fifty dollar (\$150.00) emergency room co-payment in-network or
2 out-of-network. The co-payment shall be waived if the employee and/or their dependents
3 are admitted directly to the hospital from the emergency room. In-network and out-of-
4 network deductibles and co-insurance percentages apply.

5 (18) All eligible employees and/or their dependents enrolled in the PPO or HMO shall pay the
6 following for a thirty (30) day prescription drug supply at a participating pharmacy:

7 (a) Five dollar (\$5.00) co-payment for all generic drugs.

8 (b) ~~Twenty dollar (\$20.00)~~ Thirty dollar (\$30.00) co-payment for all brand name
9 drugs on the formulary list.

10 (c) ~~Forty dollar (\$40.00)~~ Fifty dollar (\$50.00) co-payment for all non-formulary
11 brand name drugs.

12 (d) Non-legend drugs may be covered at the five dollar (\$5.00) generic co-payment
13 level at the discretion of the plan.

14 (e) ~~Twenty dollar (\$20.00)~~ co-payment for all diabetic covered supplies.

15 (f) ~~Mail order is mandatory for all maintenance drugs. There is no coverage for~~
16 maintenance drugs filled at retail pharmacy after the third fill.

17 (g) ~~Co-payments for mail order maintenance drugs is the same as retail but for a 90-~~
18 day supply.

19 (e)(h) The plan shall determine all management protocols.

20 (19) All eligible employees and/or their dependents enrolled in the HMO shall be subject to a
21 ~~ten dollar (\$10.00)~~ twenty dollar (\$20.00) office visit co-payment for all illness or injury
22 related office visits. The office visit co-payment shall not apply to preventative care, as
23 determined by the plan. ~~The County and/or the plan shall determine preventative care.~~

24 (20) All eligible employees and/or their dependents enrolled in the HMO shall pay a one
25 hundred dollar (\$100.00) co-payment for each in-patient hospitalization. ~~There is a~~
26 ~~maximum of five (5) co-payments per person, per calendar year.~~

27 (21) All eligible employees and/or their dependents enrolled in the HMO shall pay fifty
28 percent (50.0%) co-insurance on all durable medical equipment to a maximum of fifty
29 dollars (\$50.00) per appliance or piece of equipment.

30 (22) All eligible employees and/or their dependents enrolled in the HMO shall pay a ~~fifty~~
31 ~~dollar (\$50.00)~~ one hundred fifty dollar (\$150.00) emergency room co-payment (facility
32 only). The co-payment shall be waived if the employee and/or their dependents are
33 admitted to the hospital directly from the emergency room.

34 (23) In accordance with Wisconsin Act 218 that was passed by the State of Wisconsin in

1 2010, mental health care for all eligible employees and/or their dependents shall be
2 provided in the same manner as regular health care as describe in section 17.14(7). As
3 such, all co-payments, co-insurance, deductibles, and out-of-pocket maximums shall
4 apply accordingly. All eligible employees and/or their dependents Benefits for the in-
5 patient and out-patient treatment of mental and nervous disorders, alcohol and other drug
6 abuse (AODA) are as follows:

7 ~~(a) If the employee and the dependent use an in-patient PPO facility, benefits are~~
8 ~~payable at eighty percent (80.0)% of the contracted rate for thirty (30) days as long~~
9 ~~as the PPO approves both the medical necessity and appropriateness of such~~
10 ~~hospitalization.~~

11 ~~(b) If the employee and the dependent use a non-PPO facility, benefits are payable at~~
12 ~~fifty percent (50.0%) of the contracted rate for a maximum of thirty (30) days. The~~
13 ~~hospitalization is still subject to utilization review for medical necessity and~~
14 ~~medical appropriateness.~~

15 ~~(c) The first two (2) visits of outpatient treatment by network providers will be~~
16 ~~reimbursed at one hundred percent (100.0%) with no utilization review required.~~
17 ~~Up to twenty five (25) further visits for outpatient treatment when authorized by~~
18 ~~the PPO, will be reimbursed at ninety five percent (95.0%) of the PPO contracted~~
19 ~~rate. In addition, when authorized by the PPO, up to thirty (30) days per calendar~~
20 ~~year, per insured, of day treatment or partial hospitalization shall be paid at ninety~~
21 ~~five percent (95.0%) of the contracted rate for all authorized stays at PPO facilities.~~

22 ~~(d) The first fifteen (15) visits of out-patient treatment authorized by the PPO but not~~
23 ~~provided by a PPO provider shall be paid at fifty percent (50.0%) of the contracted~~
24 ~~rate for all medically necessary and appropriate treatment as determined by the~~
25 ~~PPO. When authorized by the PPO, up to thirty (30) days per calendar year, per~~
26 ~~insured, of day treatment or partial hospitalization shall be paid at fifty percent~~
27 ~~(50.0%) of the contracted rate for all authorized stays at non-PPO facilities.~~

28 (24) Each calendar year, the County shall pay a cash incentive of five hundred dollars
29 (\$500.00) per contract (single or family plan) to each eligible employee who elects to dis-
30 enroll or not to enroll in a Milwaukee County Health Plan. Any employee who is hired on
31 and after January 1, and who would be eligible to enroll in health insurance under the
32 present County guidelines who chooses not to enroll in a Milwaukee County health plan
33 shall also receive five hundred dollars (\$500.00). Proof of coverage in a non-Milwaukee
34 County group health insurance plan must be provided in order to qualify for the five

1 hundred dollars (\$500.00) payment. Such proof shall consist of a current health
2 enrollment card.

3 (a) The five hundred dollars (\$500.00) shall be paid on an after tax basis. When
4 administratively possible, the County may convert the five hundred dollars
5 (\$500.00) payment to a pre-tax credit which the employee may use as a credit
6 towards any employee benefit available within a flexible benefits plan.

7 (b) The five hundred dollars (\$500.00) payment shall be paid on an annual basis by
8 payroll check no later than April 1st of any given year to qualified employees on
9 the County payroll as of January 1st. An employee who loses his/her non-
10 Milwaukee County group health insurance coverage may elect to re-join the
11 Milwaukee County Conventional Health Plan. The employee would not be able
12 to re-join an HMO until the next open enrollment period. The five hundred
13 dollars (\$500.00) payment must be repaid in full to the County prior to coverage
14 commencing. Should an employee re-join a health plan he/she would not be
15 eligible to opt out of the plan in a subsequent calendar year.

16 (25) The County shall implement a disease management program. Such program shall be
17 designed to enhance the medical outcome of a chronic illness through education,
18 treatment, and appropriate care. Participation in the program by the patient shall be
19 strictly voluntary, and the patient can determine their individual level of involvement.
20 Chronic illness shall be managed through a variety of interventions, including but not
21 limited to contacts with patient and physician, health assessments, education materials,
22 and referrals. The County shall determine all aspects of the disease management
23 program.

24 (26) The County shall provide a Dental Insurance Plan equal to and no less than is currently
25 available to employees. Bargaining unit employees hired on or after September 8, 1989
26 and each eligible employee enrolled in the Milwaukee County Dental Benefit Plan shall
27 pay two dollars (\$2.00) per month toward the cost of a single plan, or six dollars (\$6.00)
28 per month toward the cost of a family plan. Employees may opt not to enroll in the
29 Dental Plan.

30 (27) Effective January 2012, active employees with health care benefits (those who pay
31 monthly health care premiums) will receive an automatic contribution to a Flexible
32 Spending Account (FSA) of \$500 for single and \$1,500 for family plans. Unused FSA
33 monies at the end of the year will flow back to Milwaukee County.

34 (28) If any of the preceding provision in Section 2.20 are modified in Chapter 17.14 (7) of the

1 Milwaukee County Code of General Ordinances, as a result of the 2012 Milwaukee
2 County Adopted Budget, the provisions of Chapter 17.14 (7) shall apply to this section.
3

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

(ITEM) From Interim Director, Department of Labor Relations, submitting documents relating to the tentative agreement with Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the negotiation staff of the Personnel Committee of the Milwaukee County Board of Supervisors and the Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO, have reached agreements on all issues relating to wages, hours, and conditions of employment for employees in the bargaining unit represented by Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO, and for the period January 1, 2012 through December 31, 2012, modifying the previous agreement in the following respects:

- (1) Providing for the termination of the Agreement on December 31, 2012.
- (2) Providing for no cost of living increase.
- (3) Providing for effective January 01, 2012, all step increases provided for in Chapter 17 of the Milwaukee County General Ordinances are eliminated for a twelve (12) month period
- (4) Providing for a change in overtime in that overtime shall be defined as only forty hours worked in a week.
- (5) Providing for effective January 1, 2012 pension service credit shall be defined as 1.6% of a member's final average salary.
- (6) Providing for new employee hired after January 1, 2012 the normal retirement age will be at age 64.
- (7) When authorized by State Law or effective January 1, 2012, whichever is later, providing for a mandatory employee contribution of one-half (1/2) of the Annual Required Contribution (ARC) to the Employee' Retirement system or, in the absence of State Law, effective January 1, 2012, a four percent (4%) employee contribution to the Employees' Retirement System.
- (8) Providing for employees enrolled in the HMO and PPO shall pay \$75 per month towards the monthly cost of the single plan and \$150 per month towards the monthly cost of the family plan.
- (9) Providing for "and retirees" being struck from the Health Insurance provision of the labor agreement.
- (10) Providing a deductible for employees enrolled in the PPO and HMO. PPO in network deductible of \$500 for single/\$1,000 for a two person family/\$1,500 for a family, PPO out of network deductible \$1,000 for single/\$2,000 for a two person

- 42 family/\$3,000 for a family, HMO deductible \$500 for single/\$1,000 for a two
43 person family/\$1,500 for a family.
- 44 (11) Providing increases to the PPO out of pocket maximum to \$2,500 in network under
45 a single plan, \$5,000 in network under a family plan, \$5,000 out of network under
46 a single plan, \$7,500 out of network under a family plan.
- 47 (12) Providing for an increased to the Emergency room co-payment for those in the
48 HMO and PPO to \$150.
- 49 (13) Providing for an increase in prescription drug supply for brand name drugs to \$30,
50 and for non-formulary brand name drugs to \$50, mail order is mandatory for all
51 maintenance drugs.
- 52 (14) Providing for an increased co-payment for those enrolled in the HMO for office
53 room visits to \$20.
- 54 (15) Providing for if any provision in Section 2.20 "Employee' Health and Dental
55 Benefits" is modified in Chapter 17.17 (7) of the Milwaukee County Code of
56 General Ordinances, as a result of the 2012 Milwaukee County Adopted Budget,
57 the provisions of Chapter 17.17 (7) shall apply to this section.
- 58 (16) Amend the Health Insurance mental health care language to conform to State law.
- 59 (17) Providing for active Members with health care benefits (those who pay monthly
60 health care premiums) an automatic contribution to a flexible spending account
61 (FSA) of \$500 for single and \$1,500 for family plans. Unused FSA monies at the end
62 of the year will flow back to Milwaukee County.

63
64 WHEREAS, such agreement was ratified by the membership of the Federation of
65 Nurses and Health Professionals, Local 5001 on May XX, 2011; and

66
67 WHEREAS, the Committee on Finance and Audit, on May XX, 2011, recommended
68 approval (vote X-X) of the Federation of Nurses and Health Professionals, Local 5001
69 agreement; and

70
71 WHEREAS, the Committee on Personnel, on May ZZ, 2011, recommended
72 approval (vote X-X) of the Federation of Nurses and Health Professionals, Local 5001
73 agreement; now, therefore,

74
75 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby approves
76 the agreement on wages, benefits and conditions of employment with the Federation of
77 Nurses and Health Professionals, Local 5001, which is incorporated herein by reference to
78 this File No. 11-XXX, and hereby authorizes and directs the County Executive and the
79 County Clerk to execute the agreement; and

80
81 BE IT FURTHER RESOLVED that the Director of the Department of Administration is
82 hereby authorized and directed to prepare and submit appropriation transfer requests
83 reflecting this agreement at a later date, if necessary.

This fiscal note was prepared by the Department of Administrative Services and submitted to the Department of Audit and County Board staff for review on June 8, 2011.

FISCAL NOTE

The following provides a summary of the fiscal impact of the proposed **Federation of Nurses and Health Professionals (FNHP Union), Local 5001 contract agreement for the years 2012.** The impact estimates are inclusive of all wage-related negotiated items for title codes under the FNHP Union. The following estimates are based upon current personnel in the union and negotiated changes impacting the wages and other benefit costs. The actual fiscal impact may be greater than or less than the impact that is estimated below.

The following table presents the key wage and benefit elements of the proposed contract:

Table 1: Wage and Benefit Proposals			
FNHP Contract 2012			
Wage Rate Increases:			<u>Non-Rep Impact</u>
No wage rate increases proposed for 2012			
Step Freeze for One Year:		<u>Effective *</u>	
Step increases shall be eliminated for a twelve month period.	1/8/2012		2010 & 2011
Other Wage Related Items		<u>Effective *</u>	
Overtime based only on hours worked over 40 hours in a week. Overtime for hours worked over 8 in a day is eliminated.	1/8/2012	✔	2010
Health Care Plan Changes		<u>Effective</u>	
Increase PPO Out of Pocket Maximums for in-network and out-network by \$1,000 single, and \$2,500 family.	1/1/2012		2010 & 2011
Increase PPO and HMO Emergency Room Co-pay from \$50 to \$150	1/1/2012		2010 & 2011
Increase Prescrip Drug Co-Pay \$5/\$30/ \$50	1/1/2012	✔	2011
Increase In-Network deductible to \$500/ \$1000/ \$1500 for PPO plans, Increase Out-Network deductible for PPO to \$1000/\$2000/\$3000, Increase Network deductible for HMO to \$500/\$1000/\$1500	1/1/2012		2010 & 2011
Incr PPO Office Visit Co-Pay to \$30/ \$60	1/1/2012	✔	2011
Incr HMO Office Visit Co-Pay to \$20	1/1/2012	✔	2011
FSA Contribution of \$500, \$1,000, and \$1,500 made by County to employee account depending on single, two-member, or family, respectively	1/1/2012	✔	2011
Contract Health Coverage will only apply to employees (Nurse retirees will now follow health policies identified in County Ordinances)	1/1/2012	✔	2010
Employee Contributions to Health Insurance Premiums		<u>Effective 1/1/2012</u>	
		<u>Single</u>	<u>Family</u>
PPO Plan 2012	\$	75	\$ 150
HMO Plan 2012		75	150
<u>Current Contribution Rates</u>			
PPO Plan 2011	\$	110	\$ 220
HMO Plan 2011		70	140

The following tables present the fiscal impact summary by year:

Table 2: Fiscal Impact by Year			
FNHP Contract 2012			
		2012	
Wage Related Items			
Wage Rate Increases		\$ -	
Step Freeze for One Year		(223,664)	
Overtime Eliminated for Hours Worked over 8 in a day		(128,047)	
Sub-Total Wages		(351,711)	
7.65% FICA		(26,910)	
8.90% Pension		(31,300)	
Sub-Total Wages, FICA & Pension		(409,921)	
Health Care Plan Changes			
Increase PPO Out of Pocket Maximums (\$1,000 single, \$2,500 family)		(51,240)	
Increase PPO and HMO Emergency Room Co-pay from \$50 to \$150		(31,300)	
Increase Prescrip Drug Co-Pay to \$5/\$30/ \$50		(22,200)	
Increase In-Network deductible to \$500/ \$1000/ \$1500 for PPO plans, Increase Out-Network deductible for PPO to \$1000/\$2000/\$3000, Increase Network deductible for HMO to \$500/\$1000/\$1500		(293,400)	
Incr PPO Office Visit Co-Pay to \$30/ \$60		(35,000)	
Incr HMO Office Visit Co-Pay to \$20		(38,800)	
FSA Contribution of \$500, \$1,000, and \$1,500 made by County to employee account depending on single, two-member, or family, respectively		231,500	
Contract Health Coverage will only apply to employees (Nurse retirees will now follow health policies identified in County Ordinances)			
Contributions to Health Insurance			
PPO		39,900	
HMO		(19,980)	
Pension Plan Changes			
Decrease multiplier from 2.0% to 1.6%, after 1/1/2012		(234,000)	
Increase retirement age from 60 to 64 - new employees after 1/1/2012		(12,300)	
Provide for Employee Pension Contribution of approx 6%		(860,388)	
Total Wage and Benefit Change		\$ (1,737,129)	
Amounts Used in Calculations:			
Total Count of Employees		334	
Full-time equivalents		248.0	
Total calculated wages		17,494,168	
Average wage rate/hour		\$ 34.60	
Total base wages		\$ 17,845,879	
Annual Lift Pcntg Wages on base wage		-1.97%	
Cumulative Lift Pcntg Wages on base wage		-1.97%	
Annual Lift Pcntg All Costs on base wage		-9.73%	
Cumulative Lift Pcntg All Costs on base wage		-9.73%	

CHANGES IN PROPOSED OFFER:

Following are the changes that are in the tentative contract agreement for FNHP:

1. Wage rate increases – The tentative agreement calls for no wage increases:

Item	Date Effective	Percent Increase
	None	

For purposes of this fiscal note, there are no wage increases. The last wage increases given to the Nurses were on December 26, 2010 for 1.25% and on June 26, 2011 for 1.00%. A total of four wage increases were included in the previous contract with the Nurses for 2009-2011. For 2011, the non-represented employees received a wage increase of 1% at mid-year and 1% increase at the end of 2011. These wage increases corresponded with an increase of employee contributions to the pension plan of 1% and 1%, as of the same dates.

The wage costs do not include the cost of step increases.

2. Elimination of Step Increases for a One-Year Period

The proposed agreement calls for the following changes:

Item	Date Effective	Drop Steps	Annual Savings 2012
1	January 1, 2012	Upon effective date of step increases delay next step for one additional year.	(\$223,664)

There are 141 represented members that could be getting step increases for 2012. These members would be delayed from step increases for a one year period, which would provide savings of \$223,000. The average step increase is 3.3% over current wage rates. The step increases range from 1.7% to 7.0%.

3. Overtime is eliminated for hours worked over 8 hours in a day.

The proposed agreement calls for the following changes:

Item	Date Effective	Eliminate Overtime	Annual Savings 2012
1	January 1, 2012	Eliminate requirement of overtime for hours worked over 8 in a day.	(\$128,047)

Approximately 8,700 hours of overtime were paid out based on the rule of over 8 hours in a day. These hours would now be paid out on a straight time basis, thus eliminating the overtime premium. The savings noted above is the overtime premium.

4. Change in health care contributions for 2012

The proposed agreement calls for the following changes:

<u>Proposed Change to Active Health Plan</u>	<u>Cost Savings</u>
Increase PPO Out of Pocket Maximums (increase will be \$1,000 single, and \$2,500 family). In-network will be \$2,500 Single and \$5,000 family. Out-network will be \$5,000 single and \$7,500 family.	(\$51,240)
Increase PPO and HMO Emergency Room Co-pay from \$50 to \$150	(\$31,300)
Increase Prescription Drug Co-Pay \$5/\$30/ \$50 (current plan is \$5/ \$20/ \$40)	(\$22,200)
Increase In-Network deductible to \$500/ \$1000/ \$1500 for PPO plan, Increase Out-Network deductible for PPO to \$1000/\$2000/\$3000, Increase network deductible for HMO to \$500/\$1000/\$1500 (no deductible previously for HMO)	(\$293,400)
Increase PPO Office Visit Co-Pay to \$30/ \$60 (amount was \$20/ \$40)	(\$35,000)
Increase HMO Office Visit Co-Pay to \$20 (amount was \$0)	(\$38,800)
Provide for an Flexible Spending Account contribution to employees of \$500, \$1,000, \$1,500, depending on single, two-member, and family.	\$231,500

There are currently 61 members who are in the County PPO plan and 192 members who are in the HMO plan. A cost estimate for this change was based on a report received from an outside actuary for purposes of the preparation of the 2011 budget. This estimate uses the 2010 costs and the factors provided by the outside actuary for each of the items noted above. The changes mirror the changes made for the non-represented employees during 2010 and 2011. In 2011, the active non-represented employees received a

Flexible Spending Account (FSA) contribution of \$500, \$1,000, or \$1,500 depending on single, couple, or family. This same provision is provided here for the Nurses.

The contract also contains a provision that if any health care changes are proposed for the 2012 budget, these changes will be automatically applied to the Nurses. The provision states the following. “If any of the preceding provisions in Section 2.20 (Health Care Provisions for Nurse Members) are modified in Chapter 17.14 (7) (Non-Represented Health Care Provisions) of the Milwaukee County Code of General Ordinances, as a result of the 2012 Milwaukee County Adopted Budget, the provisions of Chapter 17.14 (7) shall apply to this section.

5. Change in Employee Contribution for Health Care:

Table 1 is self-explanatory with regards to the changes in health care contributions by employees of the union. The new rates are a slight increase for HMO members and a decrease for PPO members.

6. Changes in Pension Benefits

The tentative agreement proposes the following changes to the pension plan:

Item	Effective Date	Pension Plan	Annual Cost Impact 2011
1	1/1/2012	The annual multiplier on future years of pension service credits shall decrease from 2.0% to 1.6%	\$ (234,000)
2	1/1/2012	The normal retirement age shall be increased from 60 to 64 for employees hired after 1/1/2012	\$ (12,300)
3	1/1/2012	Provide for an employee contribution to the ERS pension plan. (approximately 6% of wages)	\$ (860,338)

On December 14, 2009, the Pension Study Commission reviewed an actuarial report from Buck Consultants, Inc. regarding the pension changes proposed for Chapter 201.24 of the Code of General Ordinances (Items 1 and 2). The following was stated in the report of the Pension Study Commission, “The actuarial review showed that the retirement age change and the multiplier change have the effect of decreasing the present value of future normal costs and decreasing the annual required contribution.” The pension changes provided for in the actuarial analysis of December 14, 2009, are the same pension changes provided to this union in the proposed contract. The December 14, 2009 actuarial cost savings, prepared by Buck Consultants, was used by DAS to determine a cost savings related to this union, for the same plan provision changes, with one slight change.

The proposal included in the Nurses contract does not eliminate the 25% salary bonus for any employee who began their employment with Milwaukee County Prior to January 1, 1982. This provision remains in effect and as a result, the 1.6% pension rate is equivalent to a 2.0% pension contribution. There are 14 members who this provision would effect.

The employee contribution is based on an actuarial analysis of the current Annual Required Contribution. The current wages of the employees were multiplied by 6% using the current contribution factor.

Budgetary Fiscal Impact

Based on the data provided in the previous tables, the following provides a summary of the budgetary fiscal impact for the year 2012:

Table 3: Budgetary Fiscal Impact			
FNHP Contract 2012			
		2012	
Cost			
Wage Related Items	\$	(409,921)	
Health Care Plan Changes		(240,440)	
Contributions to Health Insurance		19,920	
Pension Plan Changes		(1,106,688)	
Total Cost		<u>(1,737,129)</u>	
Funding Source			
Prior Year Funds		-	
Current Year Appropriations		-	
Pension Budget Appropriations		-	
Total Sources		<u>-</u>	
Additional Resources			
Required	\$	<u>(1,737,129)</u>	
The 2012 Budget has not been developed as of this date, so no funds are available or are being anticipated for the settlement of the Nurses's Contract.			

Wage and Benefit Lift for 2012

The following table projects the cumulative dollar change and percentage lift in costs for the proposed contract. It includes costs for 2012, as previously shown in the other schedules. The 2012 budget year is included to illustrate the full impact of the proposed contract. No changes are expected between this table and the table previously shown.

Table 4: 2012 Cumulative Lift for 2012				
FNHP Contract 2012				
			<i>As if all costs were annualized</i>	
			Final Offer	
			Cumulative	Cumulative
			Total Lift	Lift %
Continuing Cost Increase (Decrease) Over Prior Year				
	Wage Rate Increases		\$ -	0.00%
	Step Freeze for a one year period		(223,664)	-1.25%
	Overtime Basis eliminates overtime for work hours over 8 per day		(128,047)	-0.72%
	Sub-total Wage Decrease		(351,711)	-1.97%
	FICA		(26,910)	-0.15%
	Pension		(31,300)	-0.18%
	Total Decrease from Wages		(409,921)	-2.30%
	Health Care Plan Changes		(240,440)	-1.35%
	Contributions to Health Insurance		19,920	0.11%
	Pension Plan Changes		(1,106,688)	-6.20%
	Total Decrease From Benefits		(1,327,208)	-7.44%
	Total Decrease		\$ (1,737,129)	-9.73%
Drop as a Percentage of Base Wages				
	Annual Lift Percentage			-9.73%
	Cumulative Lift Percentage			-9.73%
	Base Wages		\$ 17,845,879	

Administrative Costs Associated with Implementing this Contract

To implement this contract, personnel in the Department of Administrative Services and IMSD will have to input the rate changes into the Ceridian HPW System. For wage rates, and health plan changes, the implementation will require internal time and effort. Health Plan Changes will be effectuated during the annual open enrollment process. The number of personnel hours to complete this task has not been determined yet, but other projects may be delayed to implement this contract.

The above information was prepared by the Department of Administrative Services and will be reviewed by the Department of Audit and County Board Fiscal and Budget Analyst. A separate report will be issued by them based upon their review.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : June 8, 2011

TO : Supervisor Joe Sanfelippo, Chair, Committee on Personnel
Supervisor John Thomas, Chair, Committee on Finance and Audit

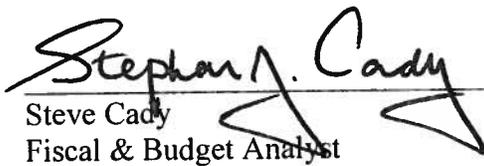
FROM : Steve Cady, Fiscal & Budget Analyst, County Board
Jerome J. Heer, Director of Audits

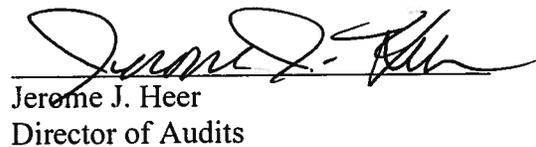
SUBJECT : Fiscal Note Review for the 2012 Contract between Milwaukee County and the Federation of Nurses and Health Professionals (FNHP Union), Local 5001

We have reviewed the fiscal note prepared by the Department of Administrative Services regarding the 2012 tentative agreement between County of Milwaukee and Federation of Nurses and Health Professionals.

We agree with the assumptions, methodologies and conclusions presented in the fiscal note.

If you have any questions, do not hesitate to call us.


Steve Cady
Fiscal & Budget Analyst


Jerome J. Heer
Director of Audits

cc: Members, Committees on Personnel and Finance and Audit
Candace Richards, Acting Director, DAS – Human Resources Division
Fred Bau, DAS – Labor Relations
Cynthia Pahl, Acting Asst Fiscal and Budget Admin, DAS
Carol Mueller, Committee Clerk, Committee on Finance and Audit
Scott Manske, Controller, Department of Administrative Services
Richard Ceschin, Research Analyst, County Board Staff
Jodi Mapp, Committee Clerk, Committee on Personnel

Personnel

13 Referred

JUN - 6 2011

1 By Supervisors Harris and Biddle

2

3

A RESOLUTION FILE NO. RES 11-358

County Board
Chairman

4

5

Authorizing and directing the Interim Director, Department of Labor Relations, to negotiate a voluntary settlement with AFSCME District Council 48 for 2009 – 2010 and a potential extension or successor agreement for 2011-2012.

6

7

8

9

WHEREAS, the last executed Memorandum of Agreement with AFSCME District Council 48 (DC 48) expired December 31, 2008, approximately 29 months ago; and

10

11

12

13

14

WHEREAS, the successor to that agreement, which would cover 2009 and 2010, has been mired in the mediation/arbitration process since November of 2009 with no resolution anticipated in the near future, resulting in fiscal distress for the County and furloughs, potential layoffs and outsourcing of jobs for DC 48; and

15

16

17

18

WHEREAS, DC 48 has indicated in a written communication dated May 4, 2011 an interest in working with the Interim Director of Labor Relations to reach a voluntary settlement with Milwaukee County; and

19

20

21

22

23

WHEREAS, DC 48 has further indicated a "public commitment to voluntarily accept premium sharing for health insurance and the voluntary contribution to the pension plan, [and] other wage and benefit modifications" in the interest of strengthening Milwaukee County's fiscal health, preserving services for the community and achieving a measure of labor peace; and

24

25

26

27

28

29

30

WHEREAS, because DC 48 currently represents approximately 60% of the overall County workforce, it is in the County's best interests to work with DC 48 to reach an agreement covering 2009-2010 as well as a potential extension or successor agreement for 2011-2012, provided such agreement is consistent with adopted Milwaukee County policy and any tentative agreement is subsequently presented, as required, for review by the Committees on Personnel and Finance and Audit; now, therefore,

31

32

33

34

35

BE IT RESOLVED, that the Interim Director, Department of Labor Relations, is authorized and directed to negotiate a voluntary settlement with AFSCME District Council 48 for 2009 – 2010 and a potential extension or successor agreement for 2011-2012; and

36

37

38

39

BE IT FURTHER RESOLVED, that such negotiations shall be consistent with adopted Milwaukee County policy, and that any resultant tentative agreement shall subsequently be presented for review, as required, by the Committees on Personnel and Finance and Audit.

40

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 11, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A RESOLUTION

Authorizing and directing the Interim Director, Department of Labor Relations, to negotiate a voluntary settlement with AFSCME District Council 48 for 2009 – 2010 and a potential extension or successor agreement for 2011-2012.

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

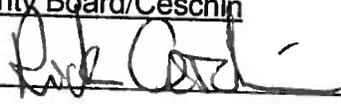
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Adoption of this resolution will not result in an increase in tax levy. Any tentative contract agreement will be presented with a comprehensive fiscal note under a separate resolution for consideration by the Committees on Personnel and Finance and Audit.

RECEIVED

2011 JUN -6 AM 10:24

COUNTY BOARD
CHAIRMAN

Department/Prepared By County Board/Ceschin
Authorized Signature 
Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.