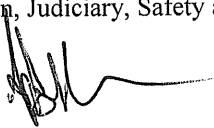


COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : June 20, 2013

TO : Supervisor Lipscomb, Chairman, Judiciary, Safety and General Services Committee

FROM : Scott B. Manske, Comptroller 

SUBJECT : Pasko / Porth Decision

The Comptroller Office has done a preliminary review of the Pasko/ Porth decision. The potential impact of this change, could be as much as \$1,000,000. This is based on a calculation performed by the Comptroller's Office that will have to be verified by further work in our office. The additional work will require a recalculation of impacted employees hours to determine balances for sick leave at each important Sick Leave transition date for each former union member, who is now a non-represented employee.

The Court decision would provide employees who worked under a different union, prior to becoming a non-rep, the sick leave benefits of that union, up to the date of their transfer. After the date of transfer they would be treated as a non-represented employee for payout of sick leave benefits, with the proviso that the employee would maintain their unions rule on applying (FIFO/ LIFO) sick leave usage to outstanding balances. In addition, the non-represented rule which limits total payout to 400 hours plus 16 hours for every 100 hours or part thereof would remain in effect. If more than 400 hours is being paid out in total (both union and non-union hours), than any additional hours from hours earned after transition, would only be paid at 16 hours for every 100 hours or part thereof.

Let us assume that we have an employee who started prior to January 1, 1994. This employee was an AFSCME employee, and then they took a job as a non-represented employee (Impacted Employee). This Impacted Employee was provided for 100% payout of any sick leave earned prior to January 31, 2007, and a 25% payment for any time earned after that date, up to the date of transfer. Upon the employees transfer date to a non-represented employee, the non-represented sick leave payout rule would be in effect. The non-represented employee sick leave rule is that an employee receives 100% sick leave payout for up to 400 hours, plus 16 hours for every 100 hours or part thereof in excess of 400 hours. The Impacted AFSCME Employee, under the non-represented sick leave rule, would In addition, have any sick leave usage deducted from the newest sick leave, or non-represented sick leave hours before hours are deducted from AFSCME earned sick leave.

Note: For most employees who started before January 1, 1994, they will receive a cash payout at retirement. For employees, who started after January 1, 1994, their payout would be in a health insurance credit to be used to buy retiree health insurance. Post-1993 Impacted AFSCME Employees would receive 100% Health Insurance Credit for all time earned after January 31, 2007. Pre-1994 Impacted AFSCME Employees would receive 25% Cash Payout for all hours earned after January 31, 2007. For other unions the January 31, 2007 AFSCME date is in either 2005 or 2006, depending on the union.

This change will possibly impact 125 active employees. We will also have to take a look at anyone who retired to see what the impact this would have on the payout already made to them if they transferred from a represented position to a non-represented position.

Below are some preliminary numbers.

Milwaukee County			
Impact of Pasko Porth Decision			
Description	Current Method	Revised Method	Variance
Number of People	127.0	127.0	
Total Sick Leave Hours	92,455	92,455	
Sick Leave Payout Hours	48,480	75,052	26,571
Sick Leave Payout Dollars	\$ 1,637,813	\$ 2,564,538	\$ 926,725