

**INTEROFFICE COMMUNICATION  
COUNTY OF MILWAUKEE**

**DATE:** August 15, 2012

**TO:** Marina Dimitrijevic, Chairwoman, County Board of Supervisors

**FROM:** Kimberly Walker, Corporation Counsel  
Mark A. Grady, Deputy Corporation Counsel *MAG*

**SUBJECT:** Appeal of decision related to the change in the pension multiplier from 2.0 to 1.6% per year  
Stoker et al. v. Milwaukee County et al., Case No. 11-CV-16550

Please refer the attached resolution to the Committee on Judiciary, Safety and General Services.

Ms. Stoker, a member of the Federation of Nurses and Health Professionals (FNHP) and FNHP filed suit alleging that the change in the pension multiplier from 2.0 to 1.6% per year is a violation of the vested benefit contract of employees who were members of the pension system prior to the date of the change. Circuit court Judge Pocan has ruled in favor of Stoker and FNHP. The current decision applies to members of FNHP who were hired prior to January 1, 2012; the change in the multiplier can legally apply to FNHP members hired on or after January 1, 2012.

An appeal is recommended. Although the decision technically only applies to members of FNHP, the principle of this decision would apply to all employees who were hired prior to the effective date of the change in the multiplier shown below for each group:

Non-represented:	1/1/10
Machinists:	5/1/10
TEAMCO:	5/1/10
Attorneys:	6/1/10
Elected officials:	10/4/10
AFSCME:	8/1/11
Trades:	1/1/12
FNHP:	1/1/12

The principle of this decision would also apply to other pension policies under consideration by the County.

The actuary previously calculated the annual pension contribution savings as a result of the multiplier change to be approximately \$4,000,000.00. In the future, if the decision is not reversed, the increased contributions that would be required related to these

unattained savings would be split approximately fifty-fifty between the County and all of the employees making a pension contribution (all employees other than firefighters).

The legal fees for outside counsel to continue to handle this case, including the appeal, are covered by the County's insurance policy.

Pursuant to §1.31, M.C.G.O., the Judiciary Committee is delegated the responsibility of making a recommendation to the County Board for such an appeal.

#### Attachments

cc(w/att.): Scott Manske  
Amber Moreen  
Janelle Jensen