

**COUNTY OF MILWAUKEE**  
DEPARTMENT OF HUMAN RESOURCES  
INTER-OFFICE COMMUNICATION

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DATE : August 28th, 2017

To : Chairman Theodore Lipscomb, County Board of Supervisors

FROM : Kerry Mitchell, Chief Human Resources Officer 

SUBJECT: **Report from the Chief Human Resources Officer, requesting authorization to create a standby pay rate for certain exempt positions within the Information Management Services Division.**

**Issue/Background**

In late 2016, Federal reform to the application of the Fair Labor Standards Act (FLSA) by the US Department of Labor caused the Compensation Division to review the Exempt/Non-Exempt Status of several County positions. As a result, several non-exempt positions within IMSD were determined to meet the Federal standards for exempt status under the FLSA, and were consequently switched from hourly to salaried pay methods with regard to overtime and other aspects of pay.

These positions are specialized roles that require 24-hour coverage to support County operations. When scheduled on a “standby” status, they are required to be available to come into work as needed. This does not apply to positions that could be asked to come in during their off time for an emergency, but are not required to be available.

Under the FLSA, it is impermissible to use hours worked as a basis for executing stand by pay for an exempt employee. As such, the practice of providing the \$0.60 per hour for these former non-exempt positions within IMSD had to be terminated to maintain FLSA compliance.

It is, however, permissible under the FLSA to provide employees with a flat daily rate. In this case, a flat daily rate of \$10.00 would be materially equivalent to the \$0.60/hour benefit that previously applied to these positions.

**Requested Board Action**

The Chief Human Resources Officer requests authorization to create a daily standby rate to apply to Exempt positions that previously would have qualified for the \$0.60 hourly standby rate as non-exempt employees.

**Fiscal Impact**

The \$0.60/hour standby rate is a long-standing pay practice that has already been accounted for in the IMSD budget. As a \$10.00 per day rate is equivalent to the previously adopted and budgeted hourly standby rate, the financial impact of the requested action should be negligible.

CC: County Executive Chris Abele  
Raisa Koltun, Chief of Staff  
Kerry Mitchell, Chief Human Resources Officer  
Margaret Daun, Corporation Counsel  
Supervisor Peggy Romo-West, Chairwoman, Finance & Audit Committee  
Supervisor Jim "Luigi" Schmitt, Chairman, Personnel Committee  
Kelly Bablitch, Milwaukee County Board of Supervisors Chief of Staff  
Tieg Whaley-Smith, Director of Administrative Services  
Steve Kreklow, Director, Office of Performance, Strategy, and Budget  
Scott Manske, Comptroller  
Stephen Cady, Comptroller's Office  
Janelle Jensen, Committee Coordinator