



Office of the County Executive

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Monday November 21, 2011

Members of the Manitowoc County Board:

The 2012 Budget process started a few months ago to achieve two principal goals; holding the line on property taxes, and protecting *all* of our county employees from the threat of layoff.

I want to congratulate the County Board for embracing these goals.

However, we still have a bit of work to do. In an effort to pass a Budget, the Board made two adjustments that result in a major mistreatment of the vast majority of our employees. I truly do not believe the Board intended to do this, but this is the result. I hope you will understand that it requires my veto today in order for it to be corrected.

With one quick stroke, the Board dramatically and immediately affected a very large number of our employees by taking away immediately, more than \$100,000 of their pay without warning. I sincerely don't believe the Board intended to injure our employees in this way, which is why we need to correct this.

My plan did include a proposal to phase out the longevity portion of our pay system over two full years, but it was included as just one important piece of a comprehensive rewrite of our entire pay and salary structure to be completed over the next two years and in many cases, to help make up for some of the income that was being phased out. Tuesday's surprising change is an unintended punch in the mouth to a large group of our employees, significantly cutting their income virtually overnight when they have little ability to make it up by working extra hours.

I believe that the Board and I were primarily on the same page in our goals. While I applaud the agreement with me to hold the line on taxes, I hope we can also agree that we have a responsibility to treat our employees with fairness and respect. The pay cut that passed without warning, is not the way to do that. I suspect its effect was not fully understood by the members. We need to correct this.

Therefore I strongly urge you to reconsider this action by upholding my veto, so we can then come back to careful consideration of the amended version of my proposal in the form you had it when it failed to pass on a 9/15 vote (including the "Behnke" amendment to the Finance Committee recommendation).

Additionally, I want to explain again my intentions with regard to overtime. It was not my intent to significantly change the work you did in committee this summer, and I agree with you that generally budgets are not the place for policy changes. However, I believe that this summer's policy left an unintended opening for manipulation of overtime that a small group within a few departments continue are able to take advantage of to a large degree, well beyond what I believe the Board anticipated and expected. We need to close this off.

Accepting my original proposal as you amended it would balance this against the correction of the longevity pay mistake in a way that would continue to meet both of our primary budget goals.

Remember that the long and short of the adjustment in the proposal offers generous overtime opportunities, but would close the loophole of receiving overtime pay if less than 40 hours was worked in a week. Currently, there remain so many examples where schedules can be manipulated to receive overtime when a full week (or applicable schedule) has not been worked that 83% of the overtime paid since the last change continues to be in excess of the FLSA standard.

Please look one more time at the data we have distributed to you about who is generating 'extra' overtime.

- 80% of the overtime paid in 2011 was earned by 'high-end' employees with an average base hourly rate of \$23.71 before overtime
- Those employees make up only 23% of the total number of county employees
- But, 75% of our employees will be negatively affected by the elimination of longevity;

I believe the majority of the Board, and the public, are in agreement that in general, 40 hours should be worked before overtime is paid.

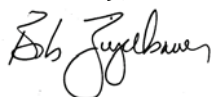
Keep in mind the effect of what was passed last Tuesday. In one stroke, a majority of our lower paid employees lost a significant amount of income, while a smaller group of higher paid employees maintain an opportunity to manipulate excessive overtime income. Most employees would be hit with a surprise, unilateral cut in pay with little or no ability to make it up while a select few others have a way to work the system. This uneven and unfair treatment of our employees cannot possibly have been the County Board's intent. We need to fix it.

Here is our choice. We can have an overtime rule that is still significantly more generous than the already ample Federal standard, or we can perpetuate a system where a few higher paid employees in a few departments can manipulate their incomes at the expense of the vast majority of the others.

Therefore I am vetoing County Board resolution No. 2011/2012-68 Resolution Adopting the 2012 Budget and Property Tax Levy and returning it to you for requested adjustment .

Sometimes we make a mistake, by mistake. It's important that we fix this. I would appreciate your support of my veto correcting the unintended harm to our employees, and the passage of the originally amended Budget (including the Behnke amendment). I believe we are generally on the same page as we go forward with a very positive Budget for 2012. Thank you for your continued efforts and deliberation. As is always the case I am anxious to work with you and to assist in any way I can.

Sincerely,



Bob Ziegelbauer
Manitowoc County Executive