

Dear Milwaukee County Employee,

The 2015 Recommended Budget is now online. You can see the entire budget [here](#) and read a summary of some of the many highlights [here](#).

The budget is an important document because it lays out how we will continue to serve the people of Milwaukee County. Of course none of these important services are possible without the hard work of all of you, so I wanted to spend a few minutes talking about how this budget affects employees.

As we put together this budget we faced some difficult choices. The Comptroller estimates that our structural deficit for next year is \$32 million, which includes a \$9 million increase in our pension costs. There are many strategies in the budget designed specifically to address this fiscal imbalance, such as increasing operational efficiency, providing services differently and reducing the County's footprint. The goal of any strategy utilized is to help fill this deficit and balance the budget, without negatively impacting the core services we provide.

In regards to employees, you will see the following in the 2015 Recommended Budget:

- The employee share of pension payments will go down slightly in 2015.
- There are no wage increases for 2015. Although we have included wage increases in the last two budgets, because of the size of the deficit this year, we were not able to include this in the budget.
- An increase in the employee share of health care costs. While I am asking us all to pay more, it is important to note that the County employee premium contributions will remain below regional benchmarks for premium costs. This is important for us to continue to stay competitive with other local employers.

My proposed budget also includes two major initiatives for additional employee training and engagement.

- **Online Learning Management System (LMS).** The LMS will provide employees access to all of the County's internal training opportunities, plus thousands of online training courses. Employees will have the ability to develop and track their own learning plans. To learn more about this new tool, visit: <http://www.cornerstoneondemand.com/learning>.
- A new leadership program, **Leadership Excellence.** This program will help high-potential County employees lead change, improve employee engagement, and build a workforce focused on results.

I have included a FAQ memo from the Human Resources Department provides additional details about 2015 compensation and benefits.

As the County Board begins debating the budget later this month I look forward to working with them to address any questions Supervisors or employees have.

Thank you for your hard work and service to Milwaukee County,

Chris



Milwaukee County

Department of Human Resources

INTER-OFFICE COMMUNICATION

Date: October 1, 2014
To: All County Employees
From: Kerry J. Mitchell, Chief Human Resources Officer
Subject: 2015 Budget: Frequently Asked Questions

Today, County Executive Chris Abele formally announced his 2015 budget, including information about employee benefits costs, as well as the status of annual pay increases. Our department prepared a list of “Frequently Asked Questions” to help you sort through some of the key questions that may arise as you review this information. If you have questions, feel free to contact your supervisor, your Human Resources representative, or our Benefits team at 278-4198.

Frequently Asked Questions for Employees: 2015 Budget

(1) How do Milwaukee County’s healthcare benefits compare to area employers?

Milwaukee County is committed to providing its employees with high-quality, affordable healthcare coverage. Milwaukee County’s health care benefits are very consistent with the benefits offered by other large employers in the region in terms of deductibles, copays, and the percentage of claims paid. Milwaukee County’s active employee premium contributions have consistently been lower than most large employers. In 2014, Milwaukee County’s average employee contribution was 11% of the premium cost. This compares to a regional average of 22% for single coverage and 31% for family. In 2015, the County employee premium contributions will remain well below regional benchmarks, averaging 18% of the premium costs.

(2) I am concerned that there is no annual pay increase for employees this year. How does Milwaukee County employees’ base pay compare to area employers?

It is not uncommon for employers in this area to decrease, delay, or suspend pay increases to resolve budget constraints. For example, the City of Milwaukee has withheld planned general wage increases in each year from 2010 – 2012, and provided limited increases in 2013 and 2014. Although Milwaukee County has provided wage increases the last couple years to employees, due to budget constraints this year, employees will not see an increase.

Milwaukee County’s Compensation Division has nearly completed an organization-wide review to ensure that our pay ranges are in alignment with the job market, and has made adjustments to positions where we have lagged the market. While the vast majority of the positions we have reviewed so far have been comparable to the broader market, some positions at Milwaukee County appear to be paid above the general market rate, and some are below.

(3) With no annual pay increase, I feel like my hard work and results are not being rewarded. How does Milwaukee County plan to reward employees for their contributions?

Tenure-based automatic annual increases don't reward performance, and have historically been delayed or suspended due to budget constraints. As an alternative, Milwaukee County is in the process of developing programs that are focused on rewarding individuals based on their performance results, service, and other key contributions to the sustained success of Milwaukee County. More information on performance-based increases will be coming in future communications.

(4) What does Total Compensation mean? What makes up my Total Compensation at Milwaukee County?

Total compensation is anything of monetary value that an employee receives for their work. At Milwaukee County, this includes wages (base pay, overtime, shift differentials, etc.) in addition to retirement (pension, deferred compensation), health (medical, dental, and wellness, etc.), and wellbeing (vacation, sick, holidays, life insurance, disability coverage, EAP, etc.) benefits. As mentioned above, base pay has generally been aligned with the market. When evaluating total compensation, Milwaukee County generally exceeds large employer market benchmarks in other forms of compensation. As examples, the County provides active employee pension contributions in excess of 5% of payroll, which compares favorably to large employer contributions averaging 3.4%. Health benefits, as noted above are offered at a lower percentage of cost than most large employers. Paid time-off benefits are also consistently above averages, providing an employee with 10 years of service in excess of 35 days of total sick, vacation, and holiday time per year.

Some notable benefits that are available to Milwaukee County Employees:

- Employee wellness plan
- Employee and dependent Life Insurance
- Voluntary short-term and long-term disability coverage
- Commuter benefits (transit pass)
- Employee assistance program (EAP)
- Access to a pre-tax retirement saving plan

(5) What does Total Rewards mean? What are Milwaukee County's plans to focus more on Total Rewards?

“Total Rewards” is a term used to encompass all of the tools available to an employer that may be used to attract, motivate and retain employees. Total rewards include everything an employee perceives to be of value resulting from the employment relationship. The reward may hold extrinsic value to you, like pay, benefits, and paid time off. Or, it could be something more intrinsic, such as a flexible work arrangements, work-life balance, the opportunity to gain experience and develop personal skills, career development, doing meaningful work, or recognition for your accomplishments. Human Resources has been working on building a Total Rewards Model at Milwaukee County, and has done significant work already in the areas of compensation and training & development. Our vision is to create this model with the ultimate goal of building a fully engaged workforce, and over time becoming a key employer of choice in the greater Milwaukee area.

Proposed Employee Health Care Premiums for 2015

	2014	2014 with Wellness Credit	2015	2015 with Wellness Credit
Single	\$130	\$80	\$180	\$130
EE + Child(ren)	\$150	\$100	\$200	\$150
EE + Spouse	\$210	\$160	\$360	\$310
Family	\$230	\$180	\$400	\$350

How does this compare with other employers?

The chart below compares the proposed 2015 Milwaukee County rates for employees participating in the wellness plan to the most recent average rates reported by region, number of employees, and industry sector. The benchmark data contains rates reported for 2013 and 2014 by the Kaiser Family Foundation and the Mercer National Survey of Employer-Sponsored Health Plans. The reported survey data has not been adjusted (increased) to reflect potential increases among employers for 2015.

	Single	Family
Midwest Large Employers	\$110	\$366
National Large Employers	\$119	\$401
Government Sector	\$89	\$334
Milwaukee County (after wellness credit)	\$130	\$350