

1 By Supervisor Sanfelippo
2

3 **A RESOLUTION/ORDINANCE**

4 to reform the role of County Board Supervisors and legislative operations
5 beginning in the 2012 term of office

6
7 WHEREAS, the number of full-time equivalent County employees has
8 dropped 4,038, or 43%, from 9,374 in 1990 to 5,336 in 2011; and
9

10 WHEREAS, the decrease in the number of employees and programs are
11 due to many factors, including but not limited to the closing of Doyne Hospital,
12 State assumption of programs such as child welfare and overall fiscal constraints
13 exacerbated by rapidly rising employee/retiree fringe benefit costs; and
14

15 WHEREAS, many studies, including *Revitalizing Milwaukee County*
16 *Government: Report of the Select Committee* (Greater Milwaukee Committee,
17 February 2003) and *Should it Stay or Should it Go?* (Public Policy Forum,
18 January 2010) urge County policymakers to consider major reforms to County
19 governance and policy oversight; and
20

21 WHEREAS, the Milwaukee County Board of Supervisors recently
22 approved a redistricting plan that provides 18 full-time supervisory districts for the
23 next ten-year period despite many calls for further reducing the number of seats
24 to reflect the diminished scope of County operations; and
25

26 WHEREAS, Milwaukee County is the only County Board in the State of
27 Wisconsin that receives “full-time” compensation despite the fact that all of the
28 land in the county is incorporated; and
29

30 WHEREAS, a part-time County Board, with commensurate pay and fringe
31 benefits, is more appropriate for a policymaking body and not as an
32 administrative branch of government involved in the day-to-day operations of
33 departments; and
34

35 WHEREAS, the Board of Supervisors should operate in a similar fashion
36 to a “board of directors” to set policy and provide oversight to ensure that the
37 adopted policies are carried out by the Administration; and
38

39 WHEREAS, a part-time County Board would allow ordinary citizens with
40 diverse backgrounds to be elected to serve and bring their various occupational
41 experiences to the County Board; and
42

43 WHEREAS, County Board committee and board meetings should be held
44 in the evening hours to provide greater opportunities for members of the public to
45 attend and participate in the governance of the county; and
46

47 WHEREAS, current technology allows County Board of Supervisors to
48 respond to constituents from locations other than the Courthouse and access
49 County Board materials from the Legistar system at any time; and
50

51 WHEREAS, a part-time County Board would also provide significant fiscal
52 savings, more than \$850,000 per year, that could be used to preserve safety net
53 and quality of life programs and services that are in jeopardy of being cut due to
54 the large structural deficit the County is facing; now, therefore,
55

56 BE IT RESOLVED, that the Milwaukee County Board of Supervisors
57 hereby affirms its role as a policymaking body and, beginning with the new term
58 after the general election on April 3, 2012, will be compensated for pay and
59 pension benefits as part-time with no employee pension benefits; and
60

61 BE IT FURTHER RESOLVED, that County Board Staff working in
62 conjunction with the Department of Audit, shall develop recommendations to
63 reform legislative operations and related ordinances with the intent to serve
64 citizen legislators where committee meetings would be held in the evenings
65 beginning at 6:30 p.m. and monthly County Board meetings at 7:00 p.m. to
66 provide a larger portion of the public to attend and participate in policy debates;
67 and
68

69 BE IT FURTHER RESOLVED, that staff recommendations shall be
70 submitted to the County Board for consideration in the January 2012 cycle so
71 that the reforms can be put into place before the new County Board is elected in
72 April 2012; and
73

74 BE IT FURTHER RESOLVED, the Milwaukee County Board of
75 Supervisors hereby amends Sections 17.99 and 201(2.4 & 2.5) of the Milwaukee
76 County Code of General Ordinances by adopting the following:
77

78 AN ORDINANCE

79
80 The County Board of Supervisors of the County of Milwaukee does ordain
81 as follows:
82

83 **Section 1.** Section 17.99 of the General Ordinances is amended as follows:
84

- 85 (1) The salaries for county board members and the county executive may be
86 adjusted every four (4) years. The adjustment required for the respective
87 offices under this subsection shall be incorporated in the county
88 executive's 200412 recommended budget submitted to the county board
89 in 200311 and every four (4) years thereafter. Said adjustment shall be
90 made in the manner hereinafter described. Said increase or decrease, if
91 approved by the county board by the adoption of a resolution and/or

92 ordinance, shall take effect with the commencement of the terms for the
93 respective offices in 200412 and every four (4) years thereafter.

94
95 (2) The salaries for county board members, county board chairperson and the
96 county executive following the election on April ~~6~~3, 200412, shall be
97 adjusted commencing at the start of their respective terms in 200412, as
98 provided in this subsection.

99
100
101 (a) County executive in 200412 is four thousand nine hundred sixty five
102 dollars and ninety-four cents (\$4,965.94) biweekly.

103
104 (b) County board chairperson in 200412 is ~~two thousand seven hundred forty~~
105 ~~six dollars and sixty two cents (\$2,746.62)~~ six hundred seventy three
106 dollars and eight cents (\$673.08) biweekly.

107
108
109 (c) County board member in 200412 is ~~one thousand nine hundred forty nine~~
110 ~~dollars and twenty cents (\$1,949.20)~~ five hundred seventy six dollars and
111 ninety two cents (\$576.92) biweekly.

112
113 **Section 2.** Section 201(2.4 & 2.5) is amended as follows:

114
115 **2.4. Employee.**

116
117 Employee shall mean any person regularly employed by the county at an
118 annual wage or salary including any person who is employed by the state but
119 receives part of his/her wage or salary from the county, but shall not mean a
120 County Board Supervisor first elected or reelected after April 2, 2012. In the
121 event of a question arising as to the right of any person in the service of the
122 county to be classified as an employe under this act, the decision of the board
123 shall be final.

124
125 **2.5. Member.**

126
127 Member shall mean any person who is an employe on or after December
128 24, 1967, unless:

- 129
130 (a) He has previously filed an election not to become a member, or
131 (b) He has been excluded by action of the board as provided in section

132 8.17.

- 133 (c) He is a County Board Supervisor who was first elected or reelected
134 after April 2, 2012.

135
136
137 **SECTION 3.** The provisions of this ordinance shall be effective upon passage
138 and publication.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 4, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution/ordinance to reform the role of County Board Supervisors and legislative operations beginning in the 2012 term of office

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	-572,000
	Revenue	0	0
	Net Cost	0	-572,000
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will authorize new rates of compensation and fringe benefits for County Board of Supervisors beginning with the 2012 legislative term.

Specifically, pay is reduced by \$37,090, from \$52,090 to \$15,000 annually for County Board Supervisors and by \$55,902, from \$73,402 to \$17,500 for the County Board Chairman position. In addition, no pension service credit would be provided to any Supervisor after the Spring 2012 election on April 3, 2012. Health insurance coverage would still be provided.

Savings from the change in salary and pension benefits would be approximately \$608,900 in 2012 and \$906,170 in 2013. This reflects eight months of savings in 2012 and a full-year in 2013 including the adjustment in the number of Supervisors to 18 beginning in the next term.

This fiscal note also provides an estimate to keep the Courthouse Security in place after 5:00 p.m. to accommodate evening meetings. Department of Transportation and Public Works officials estimate that two screening stations would need to be in operation; the 9th Street entrance and the 10th Street entrance (mostly for staff). The extra cost is approximately \$410 per day. For the purposes of this estimate, it is expected that evening meetings would occur on 110 days per year based on the current number/frequency of policy committees. Courthouse security costs are estimated at \$36,900 for 2012 and \$49,200 in 2013.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Courthouse Security costs offset the salary and fringe benefit savings to provide a total savings of \$572,000 in 2012 and \$856,970 in 2013. There is no fiscal impact for 2011 since the effective date is after the 2012 supervisory elections.

Department/Prepared By Steve Cady, Fiscal and Budget Analyst, County Board_

Authorized Signature Stephen J. Cady

Did DAS-Fiscal Staff Review? Yes No

1
2 By Supervisors Biddle, Johnson, Dimitrijevic, Harris, Weishan

Journal,
3 File No. 11-

4 **A RESOLUTION**

5 To seek modifications in Milwaukee County and the State of Wisconsin job
6 application procedures to increase the number of job opportunities available for persons
7 with prior convictions.

8 WHEREAS, in an average year in Wisconsin there are 8,600 ex-offenders who,
9 having served their sentence, are released from some level of corrections; 3,600 of those
10 released return as residents of Milwaukee County; and

11 WHEREAS, although corrections experts recognize that the single most important
12 step to foster re-entry to society is stable, family-sustaining employment, all ex-offenders
13 must struggle to overcome the stigma of a prior conviction when seeking the employment
14 necessary to restore their lives; and

15 WHEREAS, although the Wisconsin Fair Employment Law bars employers from
16 denying employment to job applicants with prior convictions (unless the nature of the
17 prior offense is "substantially related" to the job being sought), many employers adopt
18 uniform policies against hiring ex-offenders; and

19 WHEREAS, without access to the employment necessary for successful re-entry to
20 society, many ex-offenders find themselves resorting to behaviors that harm themselves
21 and the community, perpetuating a cycle of re-offense and incarceration; and

22 WHEREAS, most employers in Wisconsin include questions of prior convictions
23 on the initial job application and, sometimes unlawfully, use that information to deny
24 further consideration for an applicant; and

25 WHEREAS, local and national organizations, such as the New Hope Project, the
26 National HIRE Network, and the Legal Action Center have advocated for "ban the box"
27 legislation that moves disclosure of conviction and pending charge history from the initial
28 job application to the interview step; and

29 WHEREAS, "ban the box" legislation enables job seekers with criminal pasts to
30 clear the first barrier to employment and demonstrate their skills, abilities and evidence of
31 rehabilitation to prospective employers; and

32 WHEREAS, the National HIRE Network's *National Blueprint for Reentry* makes a
33 number of recommendations to remove barriers to employment and specifically calls for
34 expanding "ban the box"-type legislation to reconstitute the nature of prior conviction
35 questions, allowing for an ex-offender to demonstrate qualifications and evidence of
36 rehabilitation prior to being subjected to background investigations; and

37 WHEREAS, several urban areas across the nation, including Boston, Chicago,
38 Minneapolis, St. Paul, Oakland, San Francisco, Detroit, Memphis, Seattle and
39 Philadelphia, as well as the States of California, Massachusetts, Connecticut, New
40 Mexico, Minnesota and Hawaii have adopted “ban the box” policies in the hiring process
41 for state or municipal jobs, noting that it is in the community’s best interest to facilitate re-
42 entry for its citizens who are ex-offenders; and

43 WHEREAS, moving the prior conviction information from the initial application
44 would have no bearing on the Milwaukee County’s ability to deny employment to any
45 job applicant for:

- 46 - Any law enforcement-related position or any position with qualifications
47 established by the Law Enforcement Standards Board, or
- 48 - Any positions subject to the conditions of the Wisconsin Caregiver law, or
- 49 - Offenses that are substantially related to the circumstances of the position, as
50 defined by Wisconsin Fair Employment Law, or
- 51 - Failure on the part of the applicant to disclose prior convictions or pending
52 charges related to the circumstances of the position applied for;

53 now therefore,

54 BE IT RESOLVED, that the Director, Division of Human Resources, is authorized
55 and directed to take the steps necessary to remove questions related to prior conviction and
56 pending criminal charges from the initial job application for Milwaukee County
57 employment; and

58 BE IT FURTHER RESOLVED, that the Director, Division of Human Resources shall
59 work with the Office of Corporation Counsel and, as necessary, other County personnel, to
60 develop a Countywide policy and procedure that provides a uniform and mandatory
61 process for conducting pre-appointment background checks on all candidates who have
62 been selected for appointment to a County position and shall report said policy to the
63 Committee on Personnel prior to the removal of questions related to prior conviction and
64 pending criminal charges from the initial job application, but not later than December
65 2011; and

66 BE IT FURTHER RESOLVED, that the Director, Division of Intergovernmental
67 Relations, is authorized and directed to convey to the Governor and the Wisconsin State
68 Legislature that the State of Wisconsin should follow the lead of Milwaukee County and
69 extend “ban the box” legislation for all public and private employers in Wisconsin.

70 I:\Personnel\biddle.ban the box.res.doc

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 8, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution seeking modifications in Milwaukee County and the State of Wisconsin job application procedures to increase the number of job opportunities available for persons with prior convictions.

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Adoption of this resolution is not expected to result in an increase in tax levy, but may require an expenditure of staff time.

Department/Prepared By County Board/Ceschin

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : August 29, 2011
To : Committee on Personnel
FROM : Candace M. Richards, Interim Director of Human Resources
Candace M. Richards
SUBJECT : **Informational Report for 9/23/2011
Personnel Committee Meeting**

Attached are a series of informational reports listing various personnel transactions that the Director of Human Resources intends to approve for implementation.

These reports (*reclassifications, advancements within the pay range, reallocations, and revisions to ECP*) are provided in accordance with the provisions of Chapter 17 and may be included on the agenda of the September 23, 2011 Personnel Committee Meeting for informational purposes.

In the event the Personnel Committee takes no action, the transactions noted on the reports will be implemented.

CMR:rly

Copy: HR Managers

Personnel Committee Meeting Date: September 23, 2011

Reclassification Report

In accordance with the provisions of 17.05 of the Milwaukee County General Ordinances, the Director of Human Resources intends to reclassify the position noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with this action.

Requestor	Org	Position	Current Classification (Title)	Current Pay Range	Proposed Classification (Title)	Proposed Pay Range	Current Year Impact (Top Step)	Annual Year Impact	Reason
BHD	6474	55420	Human Service Supervisor	26M	Care Coordinator Wraparound	26M	\$0	\$0	Title Change
**Child Support	2432	04040	Fiscal Assistant 1	3P	Fiscal Assistant 2	4P	\$630	\$2,738	Changes in Duties
Parks	9031	88040	Restaurant Concessions Manager	916E	Assistant Chief of Recreation & Business Operations	916E	\$0	\$0	
Total							\$630	\$2,738	

**2 positions

Personnel Committee Date: September 23, 2011

ADVANCEMENT WITHIN THE PAY RANGE REPORT

In accordance with the provisions of 17.10 of the County General Ordinances, the Director of Human Resources intends to approve the advancement within the pay range for the positions noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with these actions.

<u>REQUESTOR</u>	<u>DEPT ORG UNIT</u>	<u>TITLE CODE NO POS</u>	<u>CURRENT CLASSIFICATION</u>	<u>PAY RANGE</u>	<u>CURR YEAR</u>	<u>SUB YEAR</u>	<u>REASON</u>
Parks	9000	80080	ExecDir3-Director of Parks	903E	\$10,619.00	\$46,191.00	retention of services

Personnel Committee Date: September 23, 2011

REALLOCATION REPORT

In accordance with the provisions of 17.055 of the County General Ordinances, the Director of Human Resources intends to reallocate the positions noted below. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with these actions. Fiscal note only reflects costs of wages and social security.

<u>DEPT</u>	<u>DEPT</u> <u>ORG</u>	<u>TITLE</u> <u>CODE</u>	<u>AUTH</u> <u>POS</u>	<u>FILLED</u> <u>POS</u>	<u>CURRENT CLASSIFICATION</u>	<u>CURRENT</u> <u>PAY RANGE</u>	<u>RECOMMENDED</u> <u>PAY RANGE</u>	<u>CURR</u> <u>YEAR</u>	<u>SUB YEAR</u>	<u>MAX YEAR</u>	<u>REASON</u>
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No Reallocations this Period

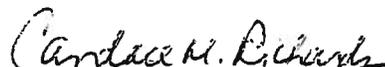
**REVISIONS TO ECP REPORT
Personnel Committee Meeting
September 23, 2011**

Currently, there are no "Revisions to ECP" to report.

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : August 26, 2011

To : Committee on Personnel



FROM : Candace M. Richards, Interim Director of Human Resources

SUBJECT : **Informational Reports 9/23/2011
For Personnel Committee Meeting**

Attached is an informational report listing ***appointments at an advanced step of the pay range***, which the Director of Human Resources intends to approve for implementation.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances and may be included on the agenda of the September 23, 2011 Personnel Committee Meeting for informational purposes

In the event the Personnel Committee takes no action, the transactions noted on the reports will be implemented.

CMR:bdv

Attachment

**Appointments At An Advance Step Of The Pay Range
Personnel Committee Report**

September 23, 2011

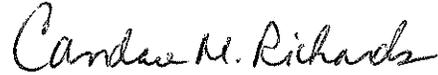
REQUESTOR	ORG UNIT	PREVIOUS		PREVIOUS PAY GRADE	CURRENT PAY GRADE	SALARY RANGE ANNUALIZED	STEPS IN PR	APPT STEP	REQUESTED		PREVIOUS SALARY	DIFFERENCE IN ANNUAL PAY	CURRENT YEAR FISCAL IMPACT	JUSTIFICATION
		CLASSIFICATION	CURRENT CLASSIFICATION						STEP AMOUNT	STEP AMOUNT ANNUALIZED				
BHD	6325	No Previous Classification	RN 3 MH	NR	27MN	\$56,225.94 - \$70,383.87	9	9	\$33.84	\$70,383.87	N/A	N/A	\$3,517.00	TRG/EXP*
BHD	6336	No Previous Classification	Admin Coord - Training	NR	27M	\$51,472.30 - \$59,635.47	5	5	\$28.67	\$59,635.47	N/A	N/A	\$2,028.00	TRG/EXP*
BHD	6363	No Previous Classification	RN 1	NR	16N	\$49,202.61 - \$66,256.32	10	10	\$31.86	\$66,256.80	N/A	N/A	\$4,237.00	TRG/EXP*
BHD	6373	Food Service Wkr 1	Nursing Assistant 1 MH	3Z	5D	\$23,697.18 - \$31,883.28	10	8	\$14.57	\$30,311.01	\$29,603.80	\$707.41	\$1,668.00	Rehire
BHD	6373	Hse Physician 1 Hrly	Staff Psychiatrist	40XM	44XM	\$143,605.07 - \$176,527.52	7	7	\$84.87	\$176,527.52	\$129,894.13	\$46,633.39	\$8,179.00	Rehire
BHD	6373	Hse Physician 1 Hrly	Staff Psychiatrist	40XM	44XM	\$143,605.07 - \$176,527.52	7	7	\$84.87	\$176,527.52	\$129,894.13	\$46,633.39	\$8,179.00	Rehire
BHD	6443	Staff Psychiatrist Hrly	Staff Psychiatrist Hrly	44XM	44XM	\$143,605.07 - \$176,527.52	7	4	\$76.55	\$159,217.76	\$159,217.76	\$0.00	\$3,879.00	Rehire
BHD	6443	Staff Psychiatrist	Staff Psychiatrist HR	44XM	44XM	\$143,605.07 - \$176,527.52	7	4	\$76.55	\$159,217.76	\$159,217.76	\$0.00	\$3,879.00	Rehire
BHD	6474	Clerical Assistant 1	Clerical Specialist MHD	3P	5P	\$31,885.36 - \$40,887.60	9	6	\$18.03	\$37,511.97	\$35,535.76	\$1,976.21	\$279.00	Same Dept Promo
BHD	6483	Quality Imprv Coord	Prog Coord - Safety SVS	26	29M	\$54,802.03 - \$65,321.15	5	5	\$31.40	\$65,321.15	\$60,579.17	\$4,741.98	\$699.00	Same Dept Promo
BHD	6553	No Previous Classification	Accountant 3	NR	21	\$42,936.61 - \$49,563.28	5	4	\$23.07	\$47,984.56	N/A	N/A	\$425.00	TRG/EXP*
DAS-Fiscal Affairs	1151	Fiscal Mgt Analyst 3	Fiscal & Mgt Analyst 3	33JM	33JM	\$57,096.21 - \$77,853.36	8	7	\$35.43	\$73,694.61	\$56,530.86	\$17,163.75	\$4,123.00	Rehire
DHHS	8001	Econ Support Suprv 1	Quality Assurance Tech	18M	15	\$35,910.78 - \$40,172.70	5	5	\$19.31	\$40,172.70	\$42,915.60	(\$2,742.90)	\$1,059.00	Rehire
District Attorney	4501	Management Asst DA	Management Asst DA	6PM	6PM	\$33,575.57 - \$43,055.58	9	5	\$18.24	\$37,936.29	\$37,936.29	(\$0.00)	\$1,083.00	Rehire
DPTW - Airport	5041	No Previous Classification	Accountant 3	NR	21	\$42,936.61 - \$49,563.28	5	2	\$21.47	\$44,649.07	N/A	N/A	\$425.00	TRG/EXP*
DPTW - Airport	5041	No Previous Classification	Airport Intern	NR	11M	\$22,527.44 - \$34,497.42	15	10	\$11.30	\$29,749.82	N/A	N/A	\$1,794.18	TRG/EXP*
Family Care	7990	No Previous Classification	LTC Functional Screener	NR	26	\$51,206.48 - \$60,579.17	5	4	\$27.80	\$57,826.70	N/A	N/A	\$1,645.00	TRG/EXP*
Family Care	7990	Program Coord - ASD	Family Care Quality Manager	29M	33M	\$65,321.15 - \$77,853.36	5	5	\$37.43	\$77,853.36	\$45,724.81	\$32,128.55	\$2,209.00	Same Dept Promo
Parks	9020	Administrative Specialist HR	Park Operations Analyst II NR	7PM	22M	\$43,344.70 - \$49,937.89	5	5	\$24.01	\$49,937.89	\$47,029.42	\$2,908.47	\$1,638.00	Transfer Promotion
Parks	9041	No Previous Classification	Marketing PR Coordinator	NR	33M	\$65,321.15 - \$77,853.36	5	2	\$32.78	\$68,191.34	N/A	N/A	\$713.00	TRG/EXP*
Parks	9046	Senior Executive Assistant	Park Operations Analyst II	7PM	22	\$44,649.07 - \$51,440.69	5	5	\$24.73	\$51,440.69	\$45,734.83	\$5,705.86	\$1,235.00	Chq In Appt Type
Sheriff	4000	Case Mgmt Spec - Sheriff	Psychiatric Social Worker	19	24	\$47,572.30 - \$55,421.39	5	2	\$23.75	\$49,391.68	\$44,649.07	\$4,742.61	\$452.00	Promotion
Sheriff	4000	No Previous Classification	RN 1	NR	16N	\$49,202.61 - \$66,256.32	10	10	\$31.85	\$66,256.32	N/A	N/A	\$4,074.00	TRG/EXP*
Sheriff	4000	No Previous Classification	RN 1	NR	16N	\$49,202.61 - \$66,256.32	10	8	\$30.42	\$63,274.43	N/A	N/A	\$1,748.00	TRG/EXP*
Sheriff	4000	RN 1 Pool	RN 2 Staff Devp - Nurse Educator	51N1	18N	\$55,141.01 - \$71,911.63	9	3	\$29.20	\$60,732.88	\$80,288.00	(\$19,555.12)	\$1,389.00	Promotion
Sheriff	4000	Deputy Sheriff LT	Sheriff's Dept Captain	30M	915E	\$60,155.89 - \$78,203.22	8	8	\$37.60	\$78,203.22	\$68,191.34	\$10,011.88	\$2,242.00	Promotion
Sheriff	4000	Deputy Sheriff LT	Sheriff's Dept Captain	30M	915E	\$60,155.89 - \$78,203.22	8	8	\$37.60	\$78,203.22	\$68,191.34	\$10,011.88	\$2,242.00	Promotion
Zoo	9500	Asst Grp Sales Coord	Group Sales Coordinator	20	24M	\$46,182.45 - \$53,802.32	5	4	\$24.50	\$50,962.70	\$47,984.56	\$2,978.14	\$311.00	Same Dept Promo

*Pay Range 901E does not have steps but has a Minimum, Mid, and Maximum Range
In accordance with the provisions of 17.09(3) of the County General Ordinances, the Director of Human Resources must file an informational report with all County Board Supervisors relative to all new appointments at an advanced step of the pay range.

COUNTY OF MILWAUKEE
DAS - Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : August 26, 2011

To : Committee on Personnel



FROM : Candace M. Richards, Interim Director of Human Resources

SUBJECT : **Informational Reports 9/23/2011
For Personnel Committee Meeting**

Attached are a series of informational reports relative to **dual employment, emergency appointment, and temporary appointment**. Reports reflect updates through the end of pay period 1. Also included is an informational report relative to **temporary assignments to a higher classification**, which is updated through August 26, 2011.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances.

CMR:bdv

Attachment

**Dual Employment Report
Personnel Committee Meeting
September 23, 2011**

Organizational Unit	Name	Current Classification	Current Pay Range	Dual Employment	Dual Employment Pay Range
Parks Department	Terrance Wycklendt	Process Server (HR)	16	Umpire	52
Parks Department	John Quinlan	Public Services Manager	26M	Umpire	52
Parks Department	Alyssa Kruegar	Park Unit Coordinator 1	22M	Umpire	52
Parks Department	Nick Spence	Park Worker 3 Seasonal	5108	Umpire	52
Parks Department	Kevin Quinlan	Food Service Operator Seasonal	9	Umpire	52

Emergency Appointment Report
Personnel Committee Meeting
September 23, 2011

Requestor	Dept	Last Name	First Name	Title Description	Employee Class	Status	Emergency Appt Date	Pay Range
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No Emergency Appointments this Period

**Temporary Appointment Report
Personnel Committee Meeting
September 23, 2011**

Requestor	Dept	Last Name	First Name	Title Code	Title Description	Emp Class	Status	# of Hours In Payroll Period	Temporary Appt Date	Appt Type
GMA Maintenance General	5051	Benjamin	Christopher	32450	Airport Mtce Wkr	F	A	80	5/2/2011	TA
		Powell	Mary	32450	Airport Mtce Wkr	F	A	80	5/2/2011	TA

Total Employees = 2

Grand Total of Employees: 2

Temporary Assignment to a Higher Classification (TAHC) Report
Personnel Committee Meeting
September 23, 2011

Dept	First Name	Last Name	Current Job Title	Pay Range	Start Date	Ext.	End Date	New Job Title	Pay Range
CSE	Brinkley	Finch	Child Support Specialist	16J	07/18/11		10/10/11	child support coordinator	22M
CSE	Masunda	McGlaston	Paralegal - Child Support	19L	07/06/11	*	10/03/11	Child Support Supervisor	24M
CSE	Janet	Nelson	Legal Cnst Child Supp 2	34EM	06/27/11		09/24/11	Exdir3 Child Support Enforcement	903E
CSE	Tarsha	Stallworth	Office Support Assistant 2	02P	5/9/2011		until filled	Executive Assistant Child Support	06PM
CSE	Jim	Sullivan	Child Support Supervisor	24M	07/06/11		10/03/11	ExDir3 Child Support Enforcement	903E
DAS - DHR	Candace	Richards	Human Resources Mgr DHHS	916E	12/28/2010		until filled	Exec Dir3 Dir Human Resources	903E
DAS - DHR	Bonica	Voss	Clerical Specialist HR NR	05PM	07/05/11		09/30/11	Executive Assistant - HR/Employee Benefits	22M
DAS - ERS	Marian	Ninneman	Business Manager	31M	7/11/2011	*	until filled	Exec. Dir. 1-ERS Manger	901E
DAS - Fiscal Affairs	Pamela	Bryant	Capital Finance Manager	917E	6/28/2011		09/25/11	Exec Dir3 - Fiscal & Budget Manager	903E
DAS - Fiscal Affairs	Justin	Rodriguez	Capital Finance Plan Analyst 3	33JM	6/28/2011		09/25/11	Capital Finance Manager	917E
DAS - IMSD	Laurie	Panella	IT Director Business Development	902E	7/30/2010	*	until filled	Ex Dir3-Chief Info Officer	903E
DAS - Risk Management	Dennis	Dietscher	Employee Safety Coordinator	30M-NR	08/06/11	*	11/01/11	Exec Dir2-Risk Manager	902E
DAS -Employee Benefits	Matthew	Hancheck	Fin Analyst Emp Benefits	38M	08/03/11		10/31/11	Director of Employee Benefits	903E
Department of Family Care	Jodi	Bischoff	Accountant IV (NR)	25M	07/18/11		10/14/11	Accounting Manager (CMO) - AR	32M
Department of Family Care	Mary	Jablonski	Acct. Manager CMO - AR	32M	07/18/11		10/14/11	Program Admin Coord (CMO)	33M
Dept on Aging	Tamirra	Carr	Human Services Wkr (Aging)	16C	07/25/11		10/14/11	Unit Supervisor (LTS)	26M
DHHS	Ara	Garcia	HR Coordinator	30M	12/28/2010		until filled	HR Manager DHHS	916E
DHHS	Niah	Harris	Payroll Asst.	04P	08/02/11		09/30/11	Mgmt Asst HR	05PM
DHHS	Geri	Lyday	ExDir2-Divadmindela Cise	902E	12/25/2010	*	until filled	Exdir3 Director of Human Services	903E
DHHS-Disabilities Serv.	Mark	Stein	ExDir2-Comm Res Administrator	902E	12/28/2010	*	until filled	ExDir2-Dept Program Director Commse	902E
DHS Detention Center	Gregory	James	Juvenile Correction Officer	14Z	07/24/11		10/21/11	Juvenile Correction Worker Supervisor	22M
DTPW Highway Maintenance	Brian	Dranzik	Director of Operations	38M	08/08/11		11/05/11	Director of Highway Operations	902E
DTPW Transportation Services	Andrea	Weddle-Henning	RCM - Highway Design	916E	08/08/11		11/05/11	Transp Design and Construction Engineering Mang	38M
DTPW-Airport	Kevin	Doyne	Fire Fighter Equip Oper	17B	07/31/11		10/28/11	Asst Chief Air Rescue & Fire Fighter	27M
DTPW-Facilities Mang	David	Polk	Fac Grounds Supv.	23M	07/03/11		09/30/11	Fac. Mnce Coord	30M
DTPW-Facilities Mgmt	Gary	Waszak	Facilities Maintenance Coordinator	30M	10/16/2010	*	until filled	Executive Director (Facilities Management)	902E
Human Resources	Russell	Yancey	Human Services Analyst	24	08/22/11		10/21/11	Compensation Analyst	29M
Parks	James	Cofta	Park Unit Coordinator	24M	07/01/11		09/28/11	Mechanical Services Manager	915E
Parks	Paul	Corrao	PMW II - IC	18Z	07/18/11		10/14/11	Park Unit Coordinator	22M
Parks	Dave	Engleman	PMW II - IC	18Z	07/18/11		10/14/11	Park Unit Coordinator	22M
Parks	Robby	Lemmerman	PMW II - IC	18Z	07/18/11		10/14/11	Park Unit Coordinator	22M
Sheriff	Steven	Artus	Correction Officer 1	14Z	07/24/11		10/21/11	Correction Officer Lieutenant	23CM
Sheriff	Janet	Borucki	Correction Officer 1	14Z	07/24/11		10/21/11	Correction Officer Lieutenant	23CM
Sheriff	Debra	Burmeister	Deputy Sheriff I	17BZ	08/07/11		11/04/11	Deputy Sheriff Captain	915E
Sheriff	Keona	Garth-Dickens	Correction Officer 1	14Z	07/24/11		10/21/11	Correction Officer Lieutenant	23CM
Sheriff	James	Gibson Jr.	Correction Officer 1	14Z	07/24/11		10/21/11	Correction Officer Lieutenant	23CM
Sheriff	Dennis	Konkel	Deputy Sheriff Sergeant	22B	07/17/11		10/14/11	Deputy Sheriff Lieutenant	30M
Sheriff	Anthony	Moffett	Dep. Sheriff I	17BZ	06/26/11		09/23/11	Deputy Sheriff Captain	915E
Sheriff	Joel	Neumann	Correction Officer 1	14Z	07/24/11		10/21/11	Correction Officer Lieutenant	23CM
Sheriff	Scott	Stiff	Deputy Sheriff Lieutenant	30M	06/26/11		09/23/11	Deputy Sheriff Captain	915E
Sheriff	Vernice	Strapp-Pitts	Executive Assistant - Child Support	6PM	12/19/2010	*	until filled	Human Resources Coordinator-Sheriff	30M
Sheriff	Derrick	Washington	Deputy Sheriff Sergeant	22B	07/17/11		10/14/11	Deputy Sheriff Lieutenant	30M
Veterans Service	James	Duff	Veterans Assistant Prog Supervisor	22M	5/31/2011		08/28/11	Veterans Service Officer	913E

*Pursuant to M.C.G.O. 17.085(1), (2), or (7), the TAHC has been extended by the Director of DHR. The County Board of Supervisors and the County Executive must approve the second extension to a vacant unclassified position through adoption of a Resolution.

COUNTY OF MILWAUKEE
DAS-Division of Human Resources
 INTER-OFFICE COMMUNICATION

DATE : August 31, 2011
 TO : Supervisor Joe Sanfelippo, Chairman, Personnel Committee
 FROM : Candace M. Richards, Interim Director of Human Resources-DAS
 SUBJECT : **2011 Budget Create**

Candace M. Richards

A review of the duties to be assigned to the new position requested in the 2011 Budget has resulted in the following recommendations of classification and pay range.

NEW BUDGET CREATE FY 2011					
DEPT.	JOB CODE	JOB TITLE	PAY RANGE	NUMBER OF POSITIONS	BARGAINING UNIT STATUS
6300	TBD	Exec. Dir. 2- Deputy Administrator (BHD)	902E	1	NR

Attachments

Cc: Patrick Farley, Director, Dept. of Administrative Services
 Pamela Bryant, Interim Fiscal & Budget Administrator, DAS
 C. J. Pahl, Assistant Fiscal & Budget Administrator
 Rick Ceschin, Senior Research Analyst
 Jodi Mapp, Personnel Committee Clerk

1 **A RESOLUTION**

2 WHEREAS, the Interim Director of Human Resources, in a report August 31,
3 2011 (copy attached), reviewed the recommended position creation contained in the 2011
4 Adopted County Budget and the amendment actions for personnel changes by the
5 Committee on Finance and Audit relative to classification and rate of compensation for
6 positions in the 2011 Adopted Budget; and

7 WHEREAS, the creation of positions in the 2011 Adopted Budget and the
8 amendment actions of the Committee on Finance and Audit require action by the
9 Committee on Personnel as to classification and rate of compensation; now, therefore,

10 BE IT RESOLVED, that, the Milwaukee County Board of Supervisors does
11 hereby authorize and direct the Interim Director of Human Resources to implement the
12 classification and rate of compensation (as attached and contained in a report from the
13 Interim Director of Human Resources dated August 31, 2011) for the position as
14 recommended for creation in the 2011 Adopted Budget.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9/6/2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Interim Director, Department of Health and Human Services, Requesting Authorization to Undertake Position Actions Related to the creation of a new Deputy Administrator position in the Behavioral Health Division.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$31,477	\$136,402
	Revenue	0	0
	Net Cost	\$31,477	136,402
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A) This position would be created to provide enhanced capacity to manage finances and operations and to provide succession planning to the current Administrator, who is a retired Milwaukee County employee working on a limited term contract. It was approved as part of the 2011 operating budget.

B) The recommended position creation would increase BHD's salary, social security and active fringe benefits expenditures by \$31,477 in 2011 and \$136,402 in 2012. The increase will be absorbed within BHD's current budget.

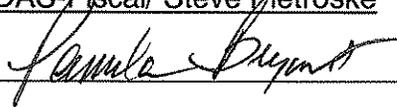
C) No increase in tax levy results from these changes.

D. No assumptions/interpretations.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By DAS-Fiscal/ Steve Pietroske

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
DAS – DIVISION OF EMPLOYEE BENEFITS
INTER-OFFICE COMMUNICATION

DATE : September 7, 2011

To : Chairman Lee Holloway, County Board of Supervisors

FROM : Matthew Hanchek, Interim Director – Employee Benefits Division 

SUBJECT: **Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.**

Issue/Background

Milwaukee County's contract with UnitedHealthCare (UHC) expires as of 12/31/2011. As a result, the Employee Benefits Division has been tasked with identifying a vendor for medical services, excluding prescription drugs, effective 1/1/2012.

With the assistance of our health care benefits consultants, Cambridge Advisory Group, Milwaukee County issued a Request for Proposal (RFP) for a third party administrator (TPA) to address the following objectives:

- Provide effective administration for Milwaukee County's self-funded medical plans for active employees and retirees.
- Provide claims data, clinical support, and cost management recommendations to the Employee Benefits Division.

The RFP responses were to include the following components:

- Administration of Milwaukee County's PPO and Managed Care Plan Designs;
- Administration of Coverage for Active Employee, Pre-Medicare Retiree, Medicare-eligible Retiree, and COBRA groups;
- Clinical Services (e.g. Utilization Review, Acute and Large Case Management);
- Provider Network Contract Management.

Four responses to the RFP were submitted. Responders to the RFP included: United Health Care (UHC), Anthem, Humana, and WPS. All responses were reviewed independently by Cambridge Advisory Group. WPS withdrew their response upon clarification of the process for evaluating provider networks. As a result, the three remaining responses were all included as finalists.

Finalist Review Process

On Monday, May 16th and Tuesday, May 17th, a review panel consisting of Matthew Hanchek - Fiscal Benefits Manager; Gerald Schroeder – Interim Benefits Director; Heather Giza - Health Benefits Coordinator; Rick Ceschin - County Board Research Analyst; and Justin Rodriguez – DAS Fiscal Analyst; was formed to evaluate finalist presentations.

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

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Finalists were given one hour to present their best and final proposal to the review panel. Additional time was also allotted to each to provide time for questions and answers from the Panel. At the conclusion of all presentations, the Panel and Cambridge reviewed the results of each finalist and reached a consensus on the rankings, pending an updated financial analysis from Cambridge including each vendor's best and final offer.

Highlights of Finalist Presentations:

UnitedHealthCare

As the incumbent medical administrator, UHC offers the easiest transition to a new contract. UHC has a strong history of customer service and responsiveness to requests made by Milwaukee County. The Benefits Division is completely satisfied with the administrative performance and service provided during the 2009 through 2011 contract.

UHC utilizes a broad provider network which includes nearly all of the providers utilized by employees and retirees in the Milwaukee Metro area.

While the other vendors' bids were more financially competitive than they were in 2008, UnitedHealthCare continued to offer the deeper validated discounts and less expensive administrative fees than all other bidders. The cost advantage, coupled with the proven history of service to the County, and UnitedHealthCare's provider network access gave UHC an advantage over all the other finalists.

Anthem

Anthem, like United Health Care, offers the advantage of being able to utilize the same network for both the PPO and Manage Care plans. Anthem offered a competitive provider network in the Milwaukee area, the addition of the UW system in the Madison area, and strong nation-wide provider networks. Since the 2008 RFP, Anthem has made improvements to network access and provider reimbursement rates in the Milwaukee Market. Access to data and decision making tools were also significantly enhanced.

Anthem's response demonstrated they are a viable alternative to UnitedHealthCare, and they were able to match UHC in many of the evaluated categories. Anthem was willing to contractually guarantee a higher overall discount than the guarantee offered by UHC, however, an analysis of actual claims incurred by the County in 2009 and 2010 demonstrated that the validated discounts through Anthem still lagged behind.

Humana

Humana has significant market share in the Milwaukee area through their role as the administrator for the Milwaukee's Business Health Care Group. By utilizing a relatively narrower "Humana Preferred Network" (HPN), Humana has made significant strides in their network discounts, provider access, and support tools since the 2008.

The review panel expressed concerns that the narrower Humana Preferred Network would create significant network access disruptions for employees by excluding the Wheaton Franciscan providers, which could be a point of contention with County bargaining groups. Further, Humana's bid was contingent on Milwaukee County joining the Milwaukee Business Health Care Group. In effect, the County would be obligated to accept fee schedules and other

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

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terms set by the coalition, as opposed to having the ability to independently negotiate certain terms. The review panel expressed concerns over limiting the County's autonomy and flexibility.

In addition to the comments by the review panel, Cambridge Advisory Group noted that Humana presented conflicting responses to the RFP regarding the providers included in their rate guarantee and the providers cited in the network analysis. Upon request, Humana did clarify the actual network terms, but the lack of transparency was cited as a concern during the process.

Cambridge Analysis

Cambridge Advisory Group was asked to perform analysis of the bids independent of the review panel to assess the relative strength of each bid. To accomplish this, each bidder was required to complete a seven-section questionnaire where the strength of each answer was assigned a score based on Cambridge's review.

As anticipated, all three finalists were proven capable of administering the County's plans, with all three receiving the highest possible scores across several categories. However, UnitedHealthCare and Anthem distinguished themselves with an average score of 93% compared to 88% for Humana. UHC had a clear advantage in the bid assumptions, requirements, & deliverables, while Anthem was rated higher on information management.

Humana lagged UHC and Anthem in the bid assumptions, requirements & deliverables, member service, claims and eligibility sections. Areas affecting Humana's score in these sections include:

- Only a two-year fee proposal and guarantee, when 3 years were requested;
- Restrictions on audit agreement;
- Member satisfaction scores;
- Customer service turnover.

Network Analysis of Bids

In addition to evaluating the questionnaire, Cambridge Advisory Group was asked to analyze the financial terms and strength of the networks proposed by applying actual County claims history:

Provider Network Discounts*			
	UnitedHealthCare	Humana	Anthem
Proposed	51.90%	49.10%	38.40%
Guaranteed	48.30%	48 – 50%	51.80%
Repriced with County-Specific Claims	53.10%	48.80%	48.50%
Rank	1	3*	2

*Discount analysis is based on in-network claims only

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

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Monthly Base ASO Fees			
YEAR	UnitedHealthCare	Humana	Anthem
2012	\$27.57	\$31.67	\$33.07
2013	\$27.57	\$32.63	\$33.07
2014	\$27.57	\$32.63*	\$34.06
Total Annual Base ASO Costs			
YEAR	UnitedHealthCare	Humana	Anthem
2012	\$3,349,424	\$3,847,525	\$4,017,608
2013	\$3,349,424	\$3,964,153	\$4,017,608
2014	\$3,349,424	\$3,964,153	\$4,137,881
Total	\$10,048,272	\$11,775,831	\$12,173,097
Difference		\$1,727,559	\$2,124,825
Rank	1	2	3

* Humana did not guarantee a rate for 2014. For the purpose of this analysis the 2013 rate was carried forward. The business coalition's negotiations for 2014 could increase or decrease this fee for all coalition members.

Provider Network Analysis			
	UnitedHealthCare	Humana	Anthem
Claims	95%	85%	96%
Patients	94%	86%	96%
Total Paid	95%	85%	96%
Rank	2	3	1

* Based on clarification by Humana, the Humana Preferred Network (HPN) was applied locally while the Humana PPO wrap was assumed outside of the area. HPN excludes Wheaton Franciscan.

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

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Annual Cost Comparison:			
Repricing Discounts	UnitedHealthCare	Humana**	Anthem*
Inpatient Facility	49.6%	44.2%	40.3%
Outpatient Facility	54.6%	50.9%	53.7%
Physician	53.6%	49.4%	47.3%
Aggregate Discount	53.1%	48.8%	48.5%
Estimated Dollar Difference from UnitedHealthcare Trended to 2012			
Inpatient Facility	\$0	\$2,540,058	\$4,405,806
Outpatient Facility	\$0	\$2,710,438	\$665,201
Physician	\$0	\$3,877,287	\$5,848,704
Total Discount Difference	\$0	\$9,127,783	\$10,919,710
Administrative Fees Per Year			
Administrative Fees	\$3,349,424	\$3,847,525	\$4,017,608
Difference in Administrative Cost	\$0	\$498,101	\$668,184
Total Difference in Annual Cost vs. UHC	\$0	\$9,625,884	\$11,587,894

* Humana and Anthem included Medicare Claims in their repricing file. Excluding Medicare claims would weaken the overall reported discounts

** Humana's discounts were applied to Wheaton Franciscan claims in this analysis. The exclusion of Wheaton would result in loss of discounts, mitigated by the patients who are willing to change care providers.

Note: The analysis in this report is only intended for ranking bids. Actual financial impact will be dependent upon enrollment, provider mix, utilization and trend. A complete actuarial analysis will be required to project costs for budget purposes for 2012 and beyond.

Final Rankings

Based upon the finalists presentations, and analysis by Cambridge the review panel ranked the finalists as follows:

1. United Health Care
2. Anthem
3. Humana

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

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Recommendation of the Panel

UnitedHealthCare has served Milwaukee County since 2009 and has consistently exceeded expectations in plan management, financial performance, and customer service. They have proven to be active and willing partners in the

County's disadvantaged business enterprise goals have demonstrated flexibility in accommodating County initiatives.

Although all bids were more competitive in 2011 than the prior RFP, the offer from UnitedHealthCare was superior in discounts and fees. United Health Care's provider networks provide the County the most comprehensive access to providers in the Milwaukee area. Additionally, UHC scored as highly for service to patients and clients, implementation, and clinical services. Because of these findings, the Review Panel considered United Health Care's bid the best total value to Milwaukee County.

Disadvantaged Business Enterprise (DBE)

After working through challenges in early 2009, UnitedHealthCare has fully complied with Milwaukee County's Disadvantaged Business Enterprise program. In 2010, UHC voluntarily exceeded their required goal.

UnitedHealthCare has also been willing to accommodate Milwaukee County's preference for utilizing local DBE firms when practical, including an ongoing flu shot program and recent building maintenance projects at their facility. UHC has completed updated forms to continue their full compliance in 2012 and beyond, and will continue to work with our Community Business Development Partners to identify additional local opportunities for participation. The anticipated 2012 goal amount is approximately \$570,000.00.

Collaboration with Milwaukee County Transit System

At the direction of Chairman Holloway during his tenure as County Executive, the Benefits Division sought ways to collaborate with other public entities to deliver health care savings. We identified the Milwaukee County Transit System as the most mutually beneficial opportunity to follow through with this initiative. Support for the vetting and pursuit of this approach was continued by the current administration.

The selection of UnitedHealthCare creates an opportunity to include the Milwaukee County Transit System under Milwaukee County's administrative services agreement. Under this arrangement, Transit would utilize Milwaukee County's Ceridian Benefits System to transmit enrollment and eligibility data to UnitedHealthCare. UHC would administer the Transit System's medical plan on a self-funded basis under the terms of the County's contract. The County would extend its purchasing leverage to the Transit System; however, the Transit System would still be responsible for its own claims and administrative expenses. This effort will reduce the Transit System's health care expenditures by an estimated \$2,000,000, with a budget impact of approximately \$1,100,000. The Benefits Division is working with Corporation Counsel and UnitedHealthCare to draft an addendum including the appropriate confidentiality and hold harmless agreements for incorporating the Transit System into this agreement.

September 7, 2011

Chairman Lee Holloway, County Board of Supervisors

Report from the Interim Director, Employee Benefits Division, requesting authorization for a 3-year contract for the administration of Milwaukee County's medical plan coverage.

Page 7

Summary / Requested Board Action

UnitedHealthCare's response to the County's request for proposal demonstrated their commitment to being a valuable strategic partner. United Health Care's bid was evaluated by a review panel including members of Benefits, DAS Fiscal, and County Board staff. The review panel found that UHC's bid was superior to all other bids regarding administrative costs, provider discounts, and network access. These findings were supported by analysis from Cambridge Advisory Group and were shared with the Employee Benefits Workgroup. Further, UHC has a proven history of excellent service to the County and compliance with the County's DBE goals.

Based on the review panel recommendations, the Employee Benefits Division, with assistance from Corporation Council, the Employee Benefits Work Group, and the Community Business Development Partners, negotiated an addendum to the original contract extending services from January 1, 2012 through December 31, 2014. A copy of the negotiated contract addendum is included with this report.

The Employee Benefits Division requests authorization to execute the attached contract addendum with UnitedHealthCare for the administration of Milwaukee County's employee and retiree medical plans. The Employee Benefits Division also requests authorization to execute a second addendum to this contract enabling the County and UnitedHealthCare to collaborate with Transit for the administration of the Transit System's medical plans.

Attachments

Cc: County Executive Chris Abele
George Aldrich, Chief of Staff, County Executive's Office
Patrick Farley, Director, Dept. of Administrative Services
Kimberly Walker, Corporation Counsel
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Employee Benefits Workgroup
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk

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5 (ITEM) From the Director, Division of Employee Benefits, requesting authorization to execute a
6 contract extension with United Health Care for Third Party Administrative (TPA) services for
7 Milwaukee County's medical plans effective January 1st, 2012 by recommending adoption of the
8 following:
9

10 **A RESOLUTION**

11
12 WHEREAS, Milwaukee County's current contract with UnitedHealthCare expires on
13 December 31st, 2011 and that contract includes TPA services for Milwaukee County's medical
14 coverage; and
15

16 WHEREAS, Milwaukee County, in coordination with Cambridge Advisory Group, issued
17 a competitive request for proposal (RFP) for TPA services for Milwaukee County's group health
18 plans for active employees and retirees; and
19

20 WHEREAS, a RFP review panel including representatives from the Employee Benefits
21 Division, DAS Finance, and County Board Staff was formed under the direction of the Benefits
22 Manager to evaluate finalist proposals; and
23

24 WHEREAS, UnitedHealthCare's bid was also evaluated on cost, network access,
25 performance guarantees, patient services, client services, implementation, formulary impact,
26 clinical services, and compliance with Milwaukee County disadvantaged business enterprise
27 goals; and
28

29 WHEREAS, UnitedHealthCare's overall response to Milwaukee County's RFP, based on
30 the criteria above, was deemed by the RFP review panel and Cambridge Advisory Group to be
31 superior to the other bids submitted in the RFP process; now, therefore
32

33 BE IT RESOLVED, that the Director, Employee Benefits Division, Department of
34 Administrative Services and the Office of Corporation Counsel, is hereby authorized execute a
35 contract extension with UnitedHealthCare for Third Party Administrative services for Milwaukee
36 County's group medical coverage plans for active employees and retirees commencing January
37 1, 2012 and continuing through December 31st, 2014.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 2, 2008

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to contract with UnitedHealthCare for medical plan third party administrative services for January 1, 2012 through December 31, 2014.

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	\$282,500
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

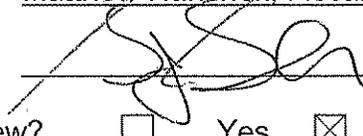
- A. Approval of this request would enable the Division of Employee Benefits to contract with UnitedHealthCare for the administration of Milwaukee County's medical benefit plan coverage.
- B. There is no direct cost impact to the 2011 budget.
- C. There is no budgetary impact to the current year, aside from the time of existing staff. Based on current enrollment, the annual administrative fees paid to UnitedHealthCare would increase by \$282,500 in 2012. There will be no further increases in 2013 and 2014.

The increase in administrative fees is expected to be more than offset by improvements to provider discounts. Based on current enrollment and historical utilization, provider discounts are expected to improve by 2%, yielding savings of approximately \$2,000,000 per year compared to current provider discounts. However, inflationary health care trend will still apply to the County's medical costs during contract period, offsetting any projected savings directly attributable to this contract. Consequently, the savings due to improved provider discounts are not reflected as a reduction in overall costs in this fiscal note.

- D. The estimated impact to administrative cost is based on current enrollment. The estimated impact of the improved provider discounts referenced above assumes enrollment and health care utilization will remain similar in 2012 and beyond. Changes to enrollment, provider mix, or utilization could positively or negatively impact the estimates in this fiscal note.

Department/Prepared By Matthew Hanchek, Fiscal Benefits Manager

Authorized Signature



6/6/11
Gerald J. Schroeder

Did DAS-Fiscal Staff Review? Yes No

FINANCIAL RENEWAL AMENDMENT

This Amendment is effective for the period beginning on January 1, 2012 and ending on January 1, 2013 unless otherwise specified.

“Our”, “Us” and “We” mean United HealthCare Services, Inc. and/or its affiliated companies, unless indicated otherwise and “You” and “Your” mean Milwaukee County. Any other capitalized terms used have the meanings shown in the governing agreements and/or policies. These terms may or may not have been capitalized in prior contractual documents between the parties but will have the same meaning as if capitalized.

The agreements that are being amended include any and all amendments, if any, that are effective prior to the effective date of this Amendment.

Nothing shown in this Amendment alters, varies or affects any of the terms, provisions or conditions of the agreements other than as stated herein.

The parties, by signing below, agree to amend the agreements contained within Exhibit A herein.

Milwaukee County

United HealthCare Services, Inc.

By _____
Authorized Signature

By _____
Authorized Signature

Print Name _____

Print Name _____

Print Title _____

Print Title _____

Date _____

Date _____

50119829 (06/11)

2011 Renewal (11/10r2)

EXHIBIT A

THE AMENDED FINANCIAL TERMS ARE AS FOLLOWS:

This Exhibit A shall not alter, vary, or affect any previously agreed to financial terms that are not amended by this Exhibit A.

Administrative Services Agreement

Contract No.: 714852

Contractholder: Milwaukee County

The following financial terms are effective for the period January 1, 2012 to January 1, 2015.

Adjustments to Fees

The fees for standard medical service fees described below, excluding optional and non-standard fees, are adjusted as set forth in the applicable performance standards.

The Standard Medical Service Fees are the sum of the following:

- \$27.57 per Employee per month.

Average Contract Size

Your Average Contract Size is 1.92.

The optional and non-standard fees are the sum of the following

Service Description	Fee
Fraud and Abuse Management	Fee equal to thirty-two and five-tenths percent (32.5%) of the gross recovery amount
Hospital Audit Program Services	Fee not to exceed thirty-one percent (31%) of the gross recovery amount
Credit Balance Recovery Services	Fee not to exceed ten percent (10%) of the gross recovery amount.
Third Party Liability Recovery (Subrogation) Services	Fee equal to thirty-three and one-third percent (33.3%) of the gross recovery amount
Facility R&C Bill Management -- We will bill You for the amounts You owe Us. The bill will reflect reductions obtained during the preceding month and adjustments, if any, from previous months	Fee for Our services, equal to thirty percent (30%) of the amount of reductions obtained through Our efforts
Shared Savings Program	You will pay a fee equal to thirty-five percent (35%) of the "Savings Obtained" as a result of the Shared Savings Program. "Savings Obtained" means the amount that would have been payable to a health care provider, including amounts payable by both the Participant and the Plan, if no discount were available, minus the amount that is payable to the health care provider, again, including amounts payable by both the Participant and the Plan, after the discount is taken.

EXHIBIT B

PERFORMANCE STANDARDS FOR HEALTH BENEFITS

The Standard Medical Service Fees (excluding Optional and Non-Standard Fees), (hereinafter referred to as “Fees”) payable by You under this Agreement will be adjusted through a credit to your Service Fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period beginning January 1, 2012 and ending on January 1, 2013 (“Guarantee Period”). With respect to the aspects of our performance addressed in this exhibit, these fee adjustments are your exclusive financial remedies.

We reserve the right from time to time to replace any report or change the format of any report referenced in these guarantees. In such event, the guarantees will be modified to the degree necessary to carry out the intent of the parties. We shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent Our failure is due to Your actions or inactions or if We fail to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or Our required compliance with any law, regulation, or governmental agency mandate or anything beyond Our reasonable control.

Prior to the end of the Guarantee Period, and provided that this Agreement remains in force, We may specify to You in writing new performance guarantees for the subsequent Guarantee Period. If We specify new performance guarantees, We will also provide you with a new Exhibit that will replace this Exhibit for that subsequent Guarantee Period.

Claim is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format. Unless stated otherwise, the claims are limited to medical claims processed through the UNET claims systems. Claims processed and products administered through any other system, including claims for other products such as vision, dental, flexible spending accounts, health reimbursement accounts, health savings accounts, or pharmacy coverage, are not included in the calculation of the performance measurements. Also, services provided under capitated arrangements are not processed as a typical claim; therefore capitated payments are not included in the performance measurements.

Implementation -- Applies to First Year Only		
A formal implementation plan, which defines key tasks, dependencies and completion dates will be developed and		
Initial ID Cards Issuance		
Definition	ID cards will be postmarked within the parameters set forth after the final eligibility data has been system loaded and passed a system load test.	
Measurement	Percentage of cards delivered	99%
	Delivery time frame, business days or less	business days 10
▪ Criteria	Calculated on a pro-rated basis, based on the actual number of late cards as a percent of the total number of cards. ID card turnaround time guarantees are based on Our performance during the implementation process.	
▪ Level	Customer specific	
▪ Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$22,200
Payment Amount	Of the Dollars at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
Claim Ready Date		
Definition	Ready to pay electronic claims by the later of the effective date or within the designated number of days following the completion of key implementation tasks: (i) Account structure and benefit plan details are defined and written approval has been provided by the customer; (ii) final eligibility has been received and successfully tested by Us; and (iii) if so negotiated, deductibles and lifetime maximums from the previous carrier received in a mutually agreed upon format, accurate, and loaded electronically.	
Measurement	Electronic claim ready by effective date or the later of business days or less	business days 18

Criteria	If any additional changes are received or requested after written approval is received, 10 additional business days will be required for changes affecting up to ten benefit plans (sets); 20 additional days will be required for changes affecting ten or more benefit plans (sets).	
Level	Customer specific	
Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
Eligibility Loading		
Definition	Initial implementation electronic eligibility files will be loaded within the timeframe set forth following receipt of clean eligibility file.	
Measurement	Files loaded, in business days or less	business days 5
Criteria	Clean eligibility file once approved by You and/or Your designee and Us, which must be: a) error free; b) formatted per Our standards; and c) received by 12:00 p.m., EST on the scheduled date, or the guarantee period starts the following business day.	
Level	Customer specific	
Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
General Implementation		
Definition	We will meet a defined percentage of the project dates in the implementation plan.	
Measurement	Percentage of project dates met	95%
Criteria	A formal implementation plan, which defines key tasks, dependencies and completion dates will be developed and agreed to by both parties. Failure on the customer's part to complete, by the agreed upon dates, the key dependent tasks associated with the project dates will nullify this guarantee.	
Level	Customer Specific	
Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$22,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
Claim Operations		
Time to Process in 10 Days		
Definition	The percentage of all claims We receive in any will be processed within the designated number of business days of receipt.	
Measurement	Percentage of claims processed	94%
	Time to process, in business days or less after receipt of claim	business days 10
Criteria	Standard claim operations reports	
Level	Site Level	
Period	Annually	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	11 business days 12 business days 13 business days 14 business days 15 business days or more	
Financial Accuracy (FAR)		
Definition	Financial accuracy rate of not less than the designated percent.	
Measurement	Percentage of claims dollars processed accurately	99.3%

Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed correctly out of the total claim dollars submitted for payment.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Dollars at Risk for this metric		\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	99.29% - 99.06% 99.05% - 98.81% 98.80% - 98.56% 98.55% - 98.30% Below 98.30		
Procedural Accuracy			
Definition	Procedural accuracy rate of not less than the designated percent.		
Measurement	Percentage of claims processed without procedural (i.e. non-financial) errors		97%
Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed without procedural (i.e. non-financial) errors.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Dollars at Risk for this metric		\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	96.99% - 96.50% 96.49% - 96.00% 95.99% - 95.50% 95.49% - 95.00% Below 95.00%		
Member Phone Service			
Phone service guarantees and standards apply to Participant calls made to the customer care center that primarily services Your Participants. They do not include calls made to care management personnel and/or calls to the senior center for Medicare Participants, nor do they include calls for services/products other than medical, such as mental health/substance abuse, pharmacy, dental, vision, flexible spending accounts, Health Reimbursement Account, Health Savings Account, etc.			
Average Speed of Answer			
Definition	Calls will sequence through our phone system and be answered by customer service within the parameters set forth.		
Measurement	Percentage of calls answered		100%
	Time answered in seconds, on average	seconds	30
Criteria	Standard tracking reports produced by the phone system for all calls		
Level	Team that services Your account		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Dollars at Risk for this metric		\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	32 seconds or less 34 seconds or less 36 seconds or less 38 seconds or less Greater than 38 seconds		
Abandonment Rate			
Definition	The average call abandonment rate will be no greater than the percentage set forth		
Measurement	Percentage of total incoming calls to customer service abandoned, on average		2%
Criteria	Standard tracking reports produced by the phone system for all calls		
Level	Team that services Your account		
Period	Annually		
Payment Period	Annually		

Fees at Risk	Dollars at Risk for this metric	\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	2.01% - 2.50% 2.51% - 3.00% 3.01% - 3.50% 3.51% - 4.00% Greater than 4.00%	
Call Quality Score		
Definition	Maintain a call quality score of not less than the percent set forth	
Measurement	Call quality score to meet or exceed	93%
▪ Criteria	Random sampling of calls are each assigned a customer service quality score, using our standard internal call quality assurance program.	
▪ Level	Office that services Your account	
▪ Period	Annually	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$44,400
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	92.99% - 91.00% 90.99% - 89.00% 88.99% - 87.00% 86.99% - 85.00% Below 85.00%	
Satisfaction		
Employee (Member) Satisfaction		
Definition	The overall satisfaction will be determined by the question that reads <i>“Overall, how satisfied are you with the way we administer your medical health insurance plan?”</i>	
Measurement	Percentage of respondents, on average, indicating a grade of satisfied or higher	80%
▪ Criteria	Operations standard survey, conducted over the course of the year; may be customer specific for an additional charge.	
▪ Level	Office that services Your account	
▪ Period	Annually	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$22,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
Customer Satisfaction		
Definition	The overall satisfaction will be determined by the question that reads <i>“How satisfied are you overall with UnitedHealthcare?”</i>	
Measurement	Minimum score on a 10 point scale	score 5
▪ Criteria	Standard Customer Scorecard Survey	
▪ Level	Customer specific	
▪ Period	Annually	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	\$22,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	

EXHIBIT C

NETWORK PROVIDER DISCOUNTS

Adjustment to Standard Service Fees

The Standard Medical Service Fees (excluding Optional and Non-Standard Fees), (hereinafter referred to as "Fees") for Employees covered under the UnitedHealthcare Choice portion of the Plan, payable by You under this Agreement, will be adjusted through a credit to your Fees in accordance with the Network Provider Discount Guarantee set forth in this Exhibit. Unless otherwise specified, these provider discounts are effective for the period from January 1, 2012 to January 1, 2013. The settlement of provider discounts will be performed on an annual basis at the time of the year end reconciliation.

Choice Network Discount Guarantee	
Actual Network Discounts	Percentage Adjustment to ASO Fees
Less than 44.3%	-10.0%
44.3% to 45.3%	-8.0%
45.3% to 46.3%	-6.0%
46.3% to 47.3%	-4.0%
47.3% to 48.3%	-2.0%
48.3% or Greater	0.0%

Assumptions

- Target in-Network Provider Choice Discount Percentage 51.3%.
- The target discount percentage is based on the current distribution percentage of in-network employees by market. The current distribution for the larger markets is illustrated below. The distribution of smaller markets is combined into the All Other market.
- Savings are defined as the sum of the difference between the covered billed charges (excluding ineligible and not covered charges) submitted by the Network Provider and the amount based on the negotiated rate with that provider. This may also include specially negotiated discounts with Network Providers in outlier claim situations.
- We reserve the right to exclude claims billed utilizing billing software, showing billed charges (excluding ineligible and not covered charges) equal to the negotiated rate from this guarantee.
- Claims where We are the secondary payor are excluded from the Network Savings and Network Savings Factor determination.
- Mental Health/Substance Abuse claims are excluded.
- Medicare and Out of Area subscribers are excluded.
- We reserve the right to revise the target discount percentage should there be a significant change in this Employee distribution (+ or - 10% change in any of the markets identified below). The figures above are based upon the following markets and Employee counts:

Market	Employee Distribution
Milwaukee County	5,655
Other	243
Total/Average	5,898

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : August 23, 2011

TO : Supervisor Johnny L. Thomas, Chair, Finance & Audit Committee
Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM : Matthew Hanchek, Interim Director, Employee Benefits Division 

SUBJECT : **Informational Report from the Interim Director, Employee Benefits Division, Regarding Dependent Eligibility Audits. No action required.**

Background:

In the 2011 Operating Budget, the Department of Audit and the Employee Benefits Division were tasked with developing the process for an audit of dependent benefits eligibility and releasing an RFP to an external administrator to conduct the audit on the County's behalf.

The Employee Benefits Division published the finalized RFP on Milwaukee County's procurement website on August 26, 2011. Notice of the RFP ran in the August 27th – August 28th editions of the Journal Sentinel. The RFP follows the procedures outlined in Chapter 56.30 of the Milwaukee County Code of Ordinances, and the successful bidder will be required to comply with the Disadvantaged Business Enterprise (DBE) policy defined in CFR 49 Part 23 and 26 and Chapter 42 of the Milwaukee County Ordinances.

Amnesty Period:

Literature on dependent eligibility audits recommends offering an amnesty period to employees and retirees prior to the initial audit period. This places the focus on cleaning up eligibility records rather than the punitive aspect. Generally, the employer would waive any employment or financial ramifications related to past coverage for people who voluntarily remove ineligible dependents.

While typically recommended, the decision to offer an amnesty period is ultimately at the County's discretion and can be revisited for the initial audit or future audits. The Benefits Division will bring this issue back to the Board with the recommended Audit plan from the successful bidder.

August 23, 2011

Supervisor Johnny L. Thomas, Chair, Finance & Audit Committee

Supervisor Joe Sanfelippo, Chair, Personnel Committee

Informational Report from the Interim Director, Employee Benefits

Division, Regarding Dependent Eligibility Audits

Page 2

Tentative Timeline:

Activity	Proposed Timeline
Release RFP	August 26, 2011
Intent to Bid and questions from bidders due	September 16, 2011
Proposals due to Milwaukee County	September 23, 2011
Notification of finalist selections	October 7, 2011
Finalist presentations	TBD
Final Vendor Selection	TBD
Approval of Scope / Contract	TBD
General Communication / Education	October 2011
Amnesty Period	November 2011
Audit Period / Procurement of Documents	February 2012 – March 2012
Conclusion	April 2012

Cc: Jerome Heer, Director of Audits
Patrick Farley, Director, Dept. of Administrative Services
Kimberly Walker, Corporation Counsel
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
 INTER-OFFICE COMMUNICATION

DATE : September 7, 2011

TO : Supervisor Johnny L. Thomas, Chair, Finance and Audit Committee
 Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM : Matthew Hanchek, Interim Director, Employee Benefits Division *MH*

SUBJECT : **Informational report from the Interim Director, Employee Benefits Division, regarding collaborative purchasing of prescription drug coverage. No action required.**

The 2011 adopted operating budget included a directive to evaluate pooling of prescription drug purchases with other municipalities as a method of reducing health care costs.

In the first quarter of 2011, representatives from Milwaukee County, the City of Milwaukee, MMSD, Milwaukee Public Schools, and MATC conducted a series of meetings to explore opportunities to jointly purchase health care administrative services (medical and pharmacy). After discussing the total enrollment numbers, the variations in plan vendors, design, and eligibility rules, and the constraints limiting flexibility of those plans, the general consensus among the group was that collaboration on medical plans would yield marginal savings at best.

As an alternative, the group agreed to focus on prescription drugs. It was proposed that the group participate in the City of Milwaukee's pharmacy request for proposals (RFP) by submitting basic demographic data. While some of the organizations backed out for a variety of reasons, Milwaukee County's headcount was factored into the RFP analysis conducted by Willis Consulting. Milwaukee County was also represented in the City's review panel and vendor selection process.

From the bids presented, Navitus offered a marginal reduction in proposed costs (\$0.05 Per Member Per Month (PMPM)) contingent on including the County and MPS in the City's contract. None of the other vendors offered additional price concessions. Differences in plan design, drug formularies, and methods of transmitting data erode opportunities for achievable economies of scale. Further, there is limited competition for prescription benefit managers (PBM) capable of handling large employers. Ultimately, it was determined by the participants from the City and County, and the City's actuaries, that the savings available through collaboration were not significantly greater than what the larger members (City, County, and MPS) could achieve on their own.

MH:hmf

Cc: Patrick Farley, Director, Dept. of Administrative Services
 Kimberly Walker, Corporation Counsel
 Rick Ceschin, Senior Research Analyst, County Board
 Steve Cady, Fiscal and Budget Analyst, County Board
 Carol Mueller, Chief Committee Clerk
 Jodi Mapp, Personnel Committee Clerk

1 A resolution authorizing and directing the Employee Benefits Workgroup to fully develop a graduated
2 defined contribution pension plan to replace the existing defined benefit plan, and to report back with a
3 final plan for implementation.

4

5 by recommending adoption of the following:

6

7

8

A RESOLUTION

9 WHEREAS, despite recent changes in pension plan design for non-represented employees and certain
10 collective bargaining units, Milwaukee County continues to face a growing structural deficit that is
11 driven in no small measure by future pension obligations; and

12 WHEREAS, according to a 2010 report from the Public Policy Forum, based on 2009 projections from the
13 Department of Administrative Services, Milwaukee County's annual contribution to the Employee
14 Retirement System is projected to exceed \$105 million by 2015; and

15 WHEREAS, for 2011 the employee fringe benefit rate for Milwaukee County, expressed as a percentage
16 of payroll, will approach 100% -- an unsustainable ratio that effectively prohibits some departments
17 from hiring adequate staffing; and

18 WHEREAS, according to a staff presentation at a meeting of the Long Range Strategic Planning
19 Committee in December 2009, the most obvious and necessary solution to Milwaukee County's
20 structural deficit must be major reforms to reduce the cost of employee benefits; and

21 WHEREAS, because employee layoffs and job outsourcing are often the corrective actions that are
22 resorted to in response to the structural deficit, eliminating that structural hole and making the jobs
23 more affordable are the best ways to protect and preserve County jobs; and

24 WHEREAS, in response to a study directed in the 2010 Adopted Budget, the Employee Retirement
25 System actuary provided a report in July 2010 that detailed savings of over \$267 million in the first ten
26 years and more than \$2.2 billion in 50 years if Milwaukee County switched to a defined contribution
27 plan with a four percent contribution match; and

28 WHEREAS, phasing in the matching program over time will increase savings by approximately 25% while
29 rewarding as well as encouraging employee retention; now, therefore,

30 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby authorizes and directs the
31 Employee Benefit Workgroup to fully develop a graduated defined contribution pension plan to replace
32 the existing defined benefit plan and that such plan shall be based on the following matching schedule:

33 Milwaukee County will match:

- 34 One percent for all employees with up to 5 years of pensionable service credit
- 35 Two percent for all employees with between 5 and 10 years of pensionable service
36 credit
- 37 Three percent for all employees with between 10 and 15 years of pensionable service
38 credit
- 39 Three and one-half percent for all employees with between 15 and 20 years of
40 pensionable service credit
- 41 Four percent for all employees with between 20 and 30 years of pensionable service
42 credit
- 43 Two percent for all employees with over 30 years of pensionable service credit;

44 And,

45 BE IT FURTHER RESOLVED, the Employee Benefit Workgroup is authorized and directed to secure an
46 actuarial analysis of the final defined contribution plan design in accordance with the above criteria,
47 which shall be presented along with a plan for implementation at the May meeting of the Committees
48 on Finance and Audit and Personnel, and at a meeting of the Pension Study Commission; and

49 BE IT FURTHER RESOLVED, that it is the intention of Milwaukee County to direct the Director,
50 Department of Labor Relations to include this plan in all contract negotiations with collective bargaining
51 units, and that upon agreement by all collective bargaining units, such defined contribution plan will
52 become effective for all non-represented employees and all elected officials.

53

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 29, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution authorizing and directing the Employee Benefits Workgroup to fully develop a graduated defined contribution pension plan to replace the existing defined benefit plan, and to report back with a final plan for implementation.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	7,000
	Revenue	0	0
	Net Cost	0	7,000
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Adoption of this resolution will require the Employee Benefits Workgroup to procure an analysis of the actuarial effect the proposed change will have on the pension fund and will require an expenditure of staff time. The actuary has estimated that such an analysis will cost approximately \$7,000. Funding for actuarial services, among other activities required by the Employee Benefits Workgroup, was included in the 2011 Adopted Budget in Org. Unit 1950.

Department/Prepared By County Board / Ceschin

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Authorized Signature _____

Did DAS-Fiscal Staff Review?

Yes

No

MILWAUKEE COUNTY BOARD OF SUPERVISORS
Committee on Personnel

DATE: December 10, 2010

ITEM No. 1

AMENDMENT NO. 1

Resolution File No. 10-447

Ordinance File No.

OFFERED BY SUPERVISOR(S): Sanfelippo

1. AMEND the BE IT RESOLVED clause, beginning on line 41, as follows:

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby authorizes and directs the Employee Benefit Workgroup to fully develop a graduated defined contribution pension plan to replace the existing defined benefit plan and that such plan shall be based on the following matching schedule:

Milwaukee County will match:

One percent for all employees with up to 5 years of pensionable service credit

Two percent for all employees with between 5 and 10 years of pensionable service credit

Three percent for all employees with between 10 and 15 years of pensionable service credit

Three and one-half percent for all employees with between 15 and 20 years of pensionable service credit

Four percent for all employees with ~~between~~ over 20 ~~and 30~~ years of pensionable service credit

~~Two percent for all employees with over 30 years of pensionable service credit;~~

September 15, 2011

Mr. Mark Grady
Principal Assistant Corporation Counsel
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

RE: Actuary's Review of the Financial Impact of Closing the Defined Benefit Plan

Dear Mark:

The Employee Benefits Workgroup has requested that Buck estimate the cost of closing the Employees' Retirement System under two scenarios: (1) a scenario that closes the plan for all new employees hired on or after January 1, 2012 and (2) a scenario where the plan is closed completely for all employees as of December 31, 2011 (i.e., no further accrual of benefits after that date for anyone). This letter includes our analysis.

Actuarial Analysis

There are two components to this analysis. The first is component is the change in benefits and eligibilities. Under Scenario (1), benefits for those hired before January 1, 2012 remain unchanged. Those that are hired on or after January 1, 2012 received no benefits from the Retirement System. Under Scenario (2), no future benefits are accrued under the Retirement system on or after January 1, 2012. This not only impacts those that are hired on or after January 1, 2012, but also those already in the Retirement system. For those in the Retirement System as of January 1, 2012, benefits are frozen as of January 1, 2012. This means that benefits will not increase due to pay or service on or after January 1, 2012. Members will be allowed to accrue eligibility service in this analysis.

The second component is the recommendation that the funding policy be changed to reflect the closing of the retirement system. The current funding policy of the Retirement System includes amortizing unfunded actuarial accrued liability based on the source of the unfunded liability: contribution variances are amortized over 5 years, administrative expenses over 10 years and all other unfunded liability over 30 years. While the Retirement System is open to new hires, funding these liabilities over up to thirty years is reasonable because contributions will continue to be made to the Retirement System based on the payroll of future active members of the plan. When a retirement system is closed to new hires, recommended actuarial practice is that the funding policy be revised so that the unfunded liability is paid off at the moment the Retirement System is projected to no longer have active members. More specifically, for pay related plans such as the Employees' Retirement System, unfunded liability is paid off over the future projected salary of covered members.

123 North Wacker Drive, Suite 1000 • Chicago, IL 60606
312.846.3000 • 312.846.3999 (fax)

The following exhibit details the impact of closing the Employees Retirement System under Scenarios (1) and (2).

As of January 1, 2011	Scenario (1) No New Employees	Scenario (2) No Future Accruals
Valuation Results		
1. Present Value of Future Benefits	\$ 2,199,829,706	\$ 1,929,427,864
2. Market Value of Assets	\$ 1,895,166,843	\$ 1,895,166,843
3. Liabilities remaining to be funded: (1 - 2)	\$ 304,662,863	\$ 34,261,021
4. Present Value of Future Payroll of Members remaining in the Fund	\$ 1,509,565,199	\$ 1,509,565,199
5. Contribution Rate	20.1821599 %	2.2695953 %
6. Actual Funding Contribution Calculated by Actuary	\$ 46,488,148	\$ 5,227,849

Item 1, the present value of future benefits (PVFB) is the total amount of projected benefits to be funded under the respective scenario. For comparison purposes, the actuarial accrued liability (AAL) of the Retirement System is just under \$2.1 billion as of January 1, 2011. The PVFB is larger than the AAL under Scenario (1) because Scenario (1) incorporates all projected service. The PVFB is smaller than the AAL under Scenario (2) because Scenario (2) does not include future salary increases, and similar to the AAL, does not include future service. Subtracting the market value of liabilities under Item 2, we are left with the remaining amount of liabilities to be funded in Item 3. Because the Retirement system is closed under both scenarios, we finance the liabilities remaining to be funded over the present value of future payroll in 4, to arrive at the contribution rate. The contribution rate is as a percent of pay of members in the retirement system. While the rate is designed to remain level if the assumptions are met, as payroll shrinks, the dollar amount will eventually reduce to zero. The Dollar contributions under Item 6 are for year one. It represents the projected payroll for the group multiplied by the contribution rate.

The following is a similar exhibit for OBRA. The concept is similar to that outlined for ERS in the prior paragraph.

Impact of Closing the OBRA Retirement System

As of January 1, 2011	Scenario (1) No New Employees	Scenario (2) No Future Accruals
Valuation Results		
1. Present Value of Future Benefits	\$ 7,519,731	\$ 5,519,524
2. Market Value of Assets	\$ 1,402,225	\$ 1,402,225
3. Liabilities remaining to be funded: (1 - 2)	\$ 6,117,506	\$ 4,117,299
4. Present Value of Future Payroll of Members remaining in the Fund	\$ 71,643,208	\$ 71,643,208
5. Contribution Rate	8.5388499 %	5.7469495 %
6. Actual Funding Contribution Calculated by Actuary	\$ 792,979	\$ 533,703

Exhibit I contains a projection of the contributions under the current plan and the two scenarios for ERS. Note that the Current Plan contributions are for an open group. For a reasonable comparison, the two scenarios should be added to the plan, if any, for new hires. Exhibit II contains a projection of contributions under the current plan and the scenario for ERS with the 1%-4% replacement plan based on service. The current ERS plan is valued at 8.457% of payroll. This amount is based on the composite rate of the entire group. The normal cost for members of ERS for those in the most recently enacted provisions of the groups is much lower at 7.166%.

Effective with the January 1, 2011 valuation report, the valuation reflected the multiplier reduction from 2.0% to 1.6% for current members' future service and future hires total service and the normal retirement age was increased to age 64 for future hires only for non-represented employees, excluding Elected Official and Deputy Sheriffs. For Scenario 3, we have applied these provisions for all current actives of the retirement system.

Exhibit III contains a projection of the contributions under the current plan and the two scenarios for OBRA. This exhibit is similar to Exhibit I for ERS. Note that the Current Plan contributions are for an open group. For a reasonable comparison, the two scenarios should be added to the plan, if any, for new hires. Exhibit II contains a projection of contributions under the current plan and the one scenario for ERS with 1%-4% replacement plan based on service. The current OBRA plan is valued at 2.04% of payroll. This amount is based on the composite rate of the entire group. One item to note is that the OBRA plan replacement plans do not include a component for expenses. Expenses are a fairly significant part of the current OBRA plan.

Basis for the Analysis

Unless otherwise noted in this analysis, we have based this analysis on the data, assumptions and methods used for the preliminary results of the January 1, 2011 actuarial valuation. We understand that Scenario (1) would impact all future employees of the County and that Scenario (2) would impact all current and future employees of the County. We made use of the market value of assets instead of the actuarial value of assets that would be used in the valuation. We made use of the market value of assets to give a better sense of the long term contribution rate. Use of the actuarial value of assets as of January 1, 2011 of \$1.93 billion would result in lower contribution rates in early years and higher contributions later than that shown in Item 6. We assumed that the retirement system would be closed as of January 1, 2011 instead of 2012 to simplify the analysis. One additional year of benefit accruals would increase the amount of contributions, but does not materially impact the illustration.

The undersigned is a Member of the American Academy of Actuaries and meets the Academy's Qualification Standards to issue this Statement of Actuarial Opinion.

Please call if you have any questions.

Sincerely,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary

LL:pl
19150/C7231RET01-Review Closing DB Plan.doc

cc: Marco Ruffini

Exhibit I
Employees' Retirement System of the County of Milwaukee
Projection of Contributions under Current Provisions and Alternate Scenarios 1 and 2
Scenario 1: Plan is closed to new hires
Scenario 2: Plan is closed to future accruals
(Amounts in Millions)

Year	Projected Salary for Current actives	Projected Contributions			Savings/(Cost Increase)	
		Current Provisions	Scenario 1	Scenario 2	Current Plan less Scenario 1	Current Plan less Scenario 2
2011	221.6	26.8	46.5	5.2	(19.7)	21.6
2012	202.6	31.5	42.5	4.8	(11.0)	26.7
2013	186.8	35.7	39.2	4.4	(3.5)	31.3
2014	173.1	33.7	36.3	4.1	(2.6)	29.6
2015	160.9	42.9	33.7	3.8	9.2	39.1
2016	149.6	45.8	31.4	3.5	14.4	42.3
2017	138.8	47.4	29.1	3.3	18.3	44.1
2018	128.4	49.0	26.9	3.0	22.1	46.0
2019	119.1	50.7	25.0	2.8	25.7	47.9
2020	110.6	52.4	23.2	2.6	29.2	49.8
2021	102.9	54.2	21.6	2.4	32.6	51.8
2022	96.1	56.0	20.2	2.3	35.8	53.7
2023	89.4	57.9	18.8	2.1	39.1	55.8
2024	83.1	59.9	17.4	2.0	42.5	57.9
2025	76.9	61.9	16.1	1.8	45.8	60.1
2026	70.7	64.0	14.8	1.7	49.2	62.3
2027	64.3	66.2	13.5	1.5	52.7	64.7
2028	58.0	68.4	12.2	1.4	56.2	67.0
2029	51.9	70.8	10.9	1.2	59.9	69.6
2030	46.4	73.2	9.7	1.1	63.5	72.1
2031	41.3	75.7	8.7	1.0	67.0	74.7
2032	36.4	78.2	7.6	0.9	70.6	77.3
2033	31.7	80.9	6.7	0.7	74.2	80.2
2034	27.6	36.6	5.8	0.7	30.8	35.9
2035	23.6	21.9	5.0	0.6	16.9	21.3
2036	19.9	7.9	4.2	0.5	3.7	7.4
2037	16.7	22.4	3.5	0.4	18.9	22.0
2038	13.9	25.5	2.9	0.3	22.6	25.2
2039	11.5	77.8	2.4	0.3	75.4	77.5
2040	9.5	65.8	2.0	0.2	63.8	65.6
2041	7.7	64.3	1.6	0.2	62.7	64.1
2042	6.2	57.0	1.3	0.1	55.7	56.9
2043	4.9	51.0	1.0	0.1	50.0	50.9
2044	3.8	62.6	0.8	0.1	61.8	62.5
2045	2.9	64.7	0.6	0.1	64.1	64.6
2046	2.2	66.9	0.5	0.1	66.4	66.8
2047	1.6	66.6	0.3	0.0	66.3	66.6
2048	1.2	68.9	0.3	0.0	68.6	68.9
2049	0.9	71.2	0.2	0.0	71.0	71.2
2050	0.6	73.7	0.1	0.0	73.6	73.7
2051	0.4	76.2	0.1	0.0	76.1	76.2
2052	0.3	78.8	0.1	0.0	78.7	78.8
2053	0.2	81.5	0.0	0.0	81.5	81.5
2054	0.1	84.2	0.0	0.0	84.2	84.2
2055	0.1	87.1	0.0	0.0	87.1	87.1
2056	0.0	90.1	0.0	0.0	90.1	90.1
2057	0.0	93.2	0.0	0.0	93.2	93.2
2058	0.0	96.4	0.0	0.0	96.4	96.4
2059	0.0	99.7	0.0	0.0	99.7	99.7
2060	0.0	103.1	0.0	0.0	103.1	103.1
2061	0.0	106.6	0.0	0.0	106.6	106.6
TOTAL	2,596.4	3,184.9	544.7	61.3	2,640.2	3,123.6
NET PRESENT VALUE		628.3	305.4	34.3	322.9	594.0

Exhibit II
Employees' Retirement System of the County of Milwaukee
Projection of Contributions under Current Provisions and Alternate Scenarios 1 and 2 with 1% -4% Replacement Plan Based on Service
Scenario 1: Plan is closed to new hires
Scenario 2: Plan is closed to future accruals
(Amounts in Millions)

Year	Projected Salary for		Current Provisions	With 1%-4% Replacement Plan Based on Service				
			Projected Contributions	Projected Contributions		Savings/(Cost Increase)		
	Current Actives	Current and Future Actives	Current Provisions	Scenario 1	Scenario 2	Current Plan less Scenario 1	Current Plan less Scenario 2	
2011	221.6	221.6	26.8	46.5	10.9	(19.7)	15.9	
2012	202.6	229.4	31.5	42.8	11.2	(11.3)	20.3	
2013	186.8	237.4	35.7	39.7	11.5	(4.0)	24.2	
2014	173.1	245.7	33.7	37.0	11.8	(3.3)	21.9	
2015	160.9	254.3	42.9	34.7	12.3	8.2	30.6	
2016	149.6	263.2	45.8	33.7	13.0	12.1	32.8	
2017	138.8	272.5	47.4	31.8	13.0	15.6	34.4	
2018	128.4	282.0	49.0	30.0	12.9	19.0	36.1	
2019	119.1	291.9	50.7	28.4	13.0	22.3	37.7	
2020	110.6	302.1	52.4	27.0	13.1	25.4	39.3	
2021	102.9	312.7	54.2	27.9	13.3	26.3	40.9	
2022	96.1	323.6	56.0	27.0	13.3	29.0	42.7	
2023	89.4	334.9	57.9	26.1	13.2	31.8	44.7	
2024	83.1	346.6	59.9	25.3	13.4	34.6	46.5	
2025	76.9	358.8	61.9	24.6	13.5	37.3	48.4	
2026	70.7	371.3	64.0	25.4	13.7	38.6	50.3	
2027	64.3	384.3	66.2	24.7	13.8	41.5	52.4	
2028	58.0	397.8	68.4	24.1	13.9	44.3	54.5	
2029	51.9	411.7	70.8	23.5	14.1	47.3	56.7	
2030	46.4	426.1	73.2	23.0	14.1	50.2	59.1	
2031	41.3	441.0	75.7	24.6	14.1	51.1	61.6	
2032	36.4	456.5	78.2	24.4	14.0	53.8	64.2	
2033	31.7	472.4	80.9	24.3	14.0	56.6	66.9	
2034	27.6	489.0	36.6	24.2	14.1	12.4	22.5	
2035	23.6	506.1	21.9	24.3	14.2	(2.4)	7.7	
2036	19.9	523.8	7.9	24.3	14.0	(16.4)	(6.1)	
2037	16.7	542.1	22.4	24.5	14.0	(2.1)	8.4	
2038	13.9	561.1	25.5	24.8	13.9	0.7	11.6	
2039	11.5	580.8	77.8	25.2	13.6	52.6	64.2	
2040	9.5	601.1	65.8	25.7	13.2	40.1	52.6	
2041	7.7	622.1	64.3	13.9	12.8	50.4	51.5	
2042	6.2	643.9	57.0	14.0	13.2	43.0	43.8	
2043	4.9	666.4	51.0	14.3	13.6	36.7	37.4	
2044	3.8	689.8	62.6	14.5	14.0	48.1	48.6	
2045	2.9	713.9	64.7	14.8	14.5	49.9	50.2	
2046	2.2	738.9	66.9	15.2	14.9	51.7	52.0	
2047	1.6	764.7	66.6	15.6	15.4	51.0	51.2	
2048	1.2	791.5	68.9	16.1	15.9	52.8	53.0	
2049	0.9	819.2	71.2	16.6	16.5	54.6	54.7	
2050	0.6	847.9	73.7	17.1	17.0	56.6	56.7	
2051	0.4	877.6	76.2	17.6	17.6	58.6	58.6	
2052	0.3	908.3	78.8	18.2	18.2	60.6	60.6	
2053	0.2	940.1	81.5	18.8	18.8	62.7	62.7	
2054	0.1	973.0	84.2	19.5	19.5	64.7	64.7	
2055	0.1	1,007.0	87.1	20.2	20.2	66.9	66.9	
2056	0.0	1,042.3	90.1	20.9	20.9	69.2	69.2	
2057	0.0	1,078.7	93.2	21.6	21.6	71.6	71.6	
2058	0.0	1,116.5	96.4	22.3	22.3	74.1	74.1	
2059	0.0	1,155.6	99.7	23.1	23.1	76.6	76.6	
2060	0.0	1,196.0	103.1	23.9	23.9	79.2	79.2	
2061	0.0	1,237.9	106.6	24.8	24.8	81.8	81.8	
TOTAL	2,596.4	30,273.1	3,184.9	1,232.5	776.8	1,952.4	2,408.1	
NET PRESENT VALUE			628.3	390.8	166.1	237.5	462.2	

Exhibit III
OBRA 1990 Retirement System of the County of Milwaukee
Projection of Contributions under Current Provisions and Alternate Scenarios 1 and 2
Scenario 1: Plan is closed to new hires
Scenario 2: Plan is closed to future accruals
(Amounts in Millions)

Year	Projected Salary for Current actives	Projected Contributions			Savings/(Cost Increase)	
		Current Provisions	Scenario 1	Scenario 2	Current Plan less Scenario 1	Current Plan less Scenario 2
2011	8.9	0.8	0.8	0.5	0.0	0.3
2012	7.8	0.8	0.7	0.5	0.1	0.3
2013	7.0	0.8	0.6	0.4	0.2	0.4
2014	6.4	0.8	0.6	0.4	0.2	0.4
2015	6.0	0.9	0.5	0.4	0.4	0.5
2016	5.8	1.0	0.5	0.3	0.5	0.7
2017	5.6	1.0	0.5	0.3	0.5	0.7
2018	5.4	1.0	0.5	0.3	0.5	0.7
2019	5.2	1.0	0.5	0.3	0.5	0.7
2020	5.0	1.0	0.4	0.3	0.6	0.7
2021	4.9	1.0	0.4	0.3	0.6	0.7
2022	4.8	1.1	0.4	0.3	0.7	0.8
2023	4.8	1.2	0.4	0.3	0.8	0.9
2024	4.8	1.2	0.4	0.3	0.8	0.9
2025	4.8	1.2	0.4	0.3	0.8	0.9
2026	4.7	1.3	0.4	0.3	0.9	1.0
2027	4.7	1.3	0.4	0.3	0.9	1.0
2028	4.7	1.3	0.4	0.3	0.9	1.0
2029	4.5	1.3	0.4	0.3	0.9	1.0
2030	4.5	1.3	0.4	0.3	0.9	1.0
2031	4.5	1.3	0.4	0.3	0.9	1.0
2032	4.4	1.3	0.4	0.3	0.9	1.0
2033	4.5	1.4	0.4	0.3	1.0	1.1
2034	4.4	1.2	0.4	0.3	0.8	0.9
2035	4.3	1.2	0.4	0.3	0.8	0.9
2036	4.3	1.2	0.4	0.3	0.8	0.9
2037	4.2	1.2	0.4	0.3	0.8	0.9
2038	4.3	1.2	0.4	0.3	0.8	0.9
2039	4.3	1.2	0.4	0.3	0.8	0.9
2040	4.2	1.2	0.4	0.2	0.8	1.0
2041	4.1	1.2	0.4	0.2	0.8	1.0
2042	3.9	1.2	0.3	0.2	0.9	1.0
2043	3.9	1.2	0.3	0.2	0.9	1.0
2044	4.0	1.3	0.4	0.2	0.9	1.1
2045	3.8	1.3	0.3	0.2	1.0	1.1
2046	3.6	1.3	0.3	0.2	1.0	1.1
2047	3.5	1.3	0.3	0.2	1.0	1.1
2048	3.1	1.3	0.3	0.2	1.0	1.1
2049	2.9	1.3	0.3	0.2	1.0	1.1
2050	2.6	1.4	0.2	0.2	1.2	1.2
2051	2.5	1.4	0.2	0.1	1.2	1.3
2052	2.2	1.4	0.2	0.1	1.2	1.3
2053	1.9	1.4	0.2	0.1	1.2	1.3
2054	1.6	1.4	0.1	0.1	1.3	1.3
2055	1.3	1.5	0.1	0.1	1.4	1.4
2056	0.9	1.5	0.1	0.1	1.4	1.4
2057	0.6	1.5	0.1	0.0	1.4	1.5
2058	0.3	1.5	0.0	0.0	1.5	1.5
2059	0.1	1.5	0.0	0.0	1.5	1.5
2060	0.0	1.6	0.0	0.0	1.6	1.6
2061	0.0	1.6	0.0	0.0	1.6	1.6
TOTAL	200.5	62.8	17.7	12.2	45.1	50.6
NET PRESENT VALUE		13.3	6.2	4.3	7.1	9.0

Exhibit IV
OBRA 1990 Retirement System of the County of Milwaukee
Projection of Contributions under Current Provisions and Alternate Scenarios 1 and 2 with 1%-4% Replacement Plan Based on Service
Scenario 1: Plan is closed to new hires
Scenario 2: Plan is closed to future accruals
(Amounts in Millions)

Year	Projected Salary for		Current Provisions	With 1%-4% Replacement Plan Based on Service			
			Projected Contributions	Projected Contributions		Savings/(Cost Increase)	
	Current Actives	Current and Future Actives	Current Provisions	Scenario 1	Scenario 2	Current Plan less Scenario 1	Current Plan less Scenario 2
2011	8.9	8.9	0.8	0.8	0.8	0.0	0.0
2012	7.8	9.2	0.8	0.7	0.7	0.1	0.1
2013	7.0	9.5	0.8	0.6	0.7	0.2	0.1
2014	6.4	9.8	0.8	0.6	0.7	0.2	0.1
2015	6.0	10.1	0.9	0.6	0.7	0.3	0.2
2016	5.8	10.4	1.0	0.6	0.7	0.4	0.3
2017	5.6	10.7	1.0	0.6	0.7	0.4	0.3
2018	5.4	11.0	1.0	0.6	0.7	0.4	0.3
2019	5.2	11.3	1.0	0.6	0.7	0.4	0.3
2020	5.0	11.7	1.0	0.6	0.7	0.4	0.3
2021	4.9	12.0	1.0	0.6	0.7	0.4	0.3
2022	4.8	12.4	1.1	0.7	0.7	0.4	0.4
2023	4.8	12.7	1.2	0.7	0.7	0.5	0.5
2024	4.8	13.1	1.2	0.7	0.7	0.5	0.5
2025	4.8	13.5	1.2	0.7	0.7	0.5	0.5
2026	4.7	13.9	1.3	0.7	0.7	0.6	0.6
2027	4.7	14.3	1.3	0.8	0.7	0.5	0.6
2028	4.7	14.8	1.3	0.8	0.7	0.5	0.6
2029	4.5	15.2	1.3	0.8	0.7	0.5	0.6
2030	4.5	15.7	1.3	0.8	0.8	0.5	0.5
2031	4.5	16.1	1.3	0.9	0.7	0.4	0.6
2032	4.4	16.6	1.3	0.9	0.7	0.4	0.6
2033	4.5	17.1	1.4	0.9	0.7	0.5	0.7
2034	4.4	17.6	1.2	0.9	0.7	0.3	0.5
2035	4.3	18.2	1.2	0.9	0.7	0.3	0.5
2036	4.3	18.7	1.2	1.0	0.7	0.2	0.5
2037	4.2	19.3	1.2	1.0	0.7	0.2	0.5
2038	4.3	19.8	1.2	1.0	0.7	0.2	0.5
2039	4.3	20.4	1.2	1.0	0.7	0.2	0.5
2040	4.2	21.1	1.2	1.0	0.7	0.2	0.5
2041	4.1	21.7	1.2	0.7	0.7	0.5	0.5
2042	3.9	22.3	1.2	0.7	0.7	0.5	0.5
2043	3.9	23.0	1.2	0.7	0.7	0.5	0.5
2044	4.0	23.7	1.3	0.7	0.7	0.6	0.6
2045	3.8	24.4	1.3	0.7	0.7	0.6	0.6
2046	3.6	25.1	1.3	0.8	0.7	0.5	0.6
2047	3.5	25.9	1.3	0.8	0.7	0.5	0.6
2048	3.1	26.7	1.3	0.7	0.7	0.6	0.6
2049	2.9	27.5	1.3	0.7	0.7	0.6	0.6
2050	2.6	28.3	1.4	0.7	0.7	0.7	0.7
2051	2.5	29.2	1.4	0.8	0.7	0.6	0.7
2052	2.2	30.0	1.4	0.8	0.7	0.6	0.7
2053	1.9	30.9	1.4	0.7	0.7	0.7	0.7
2054	1.6	31.9	1.4	0.7	0.7	0.7	0.7
2055	1.3	32.8	1.5	0.7	0.7	0.8	0.8
2056	0.9	33.8	1.5	0.7	0.7	0.8	0.8
2057	0.6	34.8	1.5	0.7	0.7	0.8	0.8
2058	0.3	35.9	1.5	0.7	0.7	0.8	0.8
2059	0.1	36.9	1.5	0.7	0.7	0.8	0.8
2060	0.0	38.0	1.6	0.8	0.8	0.8	0.8
2061	0.0	39.2	1.6	0.8	0.8	0.8	0.8
TOTAL	200.5	1,047.1	62.8	38.4	36.1	24.4	26.7
NET PRESENT VALUE			13.3	8.9	9.0	4.4	4.3

**INTEROFFICE COMMUNICATION
COUNTY OF MILWAUKEE**

DATE: September 19, 2011

TO: Lee Holloway, Chairman, County Board of Supervisors

FROM: Mark A. Grady, Deputy Corporation Counsel
Chair, Employee Benefits Workgroup

SUBJECT: Rule of 75 for nonrepresented employees

The Employee Benefits requests that this matter be referred to the Committee on Finance and Audit and to the Committee on Personnel. The matter should also be referred to the Pension Study Commission and to the Pension Board, as set forth below.

The County Board previously adopted ordinance amendments to prevent the potential for increased pension benefits under the Rule of 75 that could occur from the promotion of deputy sheriffs to nonrepresented deputy sheriff positions and from the creation of nonrepresented Correction Officer Lieutenant positions. Consistent with this adopted policy, the Employee Benefits Workgroup submits the attached proposed ordinance amendment. This amendment would have the same effect as the prior adopted amendments, but this amendment would affect any future change by any employee from a represented position to a nonrepresented position. This amendment limits eligibility for the Rule of 75 for nonrepresented employees to only those nonrepresented employees who are eligible for that benefit as of September 29, 2011. This amendment does not change the current pension benefits of any employee.

This change must be referred to the Pension Study Commission, under Chapter 200 of the ordinances, and to the Pension Board, under section 201.24(8.17) of the ordinances, for review, actuarial analysis, and comment prior to action by the County Board of Supervisors. A fiscal note will be completed once the actuarial report is received.

MARK A. GRADY
Deputy Corporation Counsel

Attachment

cc(w/att.): County Executive Chris Abele
Carol Mueller
Jodi Mapp

A RESOLUTION

To amend Sections 201.24(4.1) of the Milwaukee County Code of General Ordinances as it pertains to the "Rule of 75" for non-represented employees.

WHEREAS, nonrepresented employees and employees covered by a collective bargaining agreement with the Association of Milwaukee County Attorneys whose membership in the retirement system began prior to January 1, 2006 are eligible for a normal retirement when their age and years of pension service equal seventy-five (75), known as the "Rule of 75"; and

WHEREAS, employees covered by a collective bargaining agreement with the American Federation of State, County and Municipal Employees, with District No. 10 of the International Association of Machinists and Aerospace Workers, or with the Technicians, Engineers and Architects of Milwaukee County, are eligible for the Rule of 75 only if the employee's membership in the retirement system began prior to January 1, 1994; and

WHEREAS, employees covered by a collective bargaining agreement with the Federation of Nurses and Health Professionals are eligible for the Rule of 75 only if the employee's membership in the retirement system began prior to January 1, 1997; and

WHEREAS, because pension benefit entitlement is generally tied to the date of membership in the Employee's Retirement System of the County of Milwaukee, differences between the Ordinances and collective bargaining agreements currently permit some represented employees to qualify for an enhanced pension benefit under the Rule of 75 that they would not otherwise qualify for should those employees change from a represented position to a nonrepresented position; and

WHEREAS, the receipt of the Rule of 75 would represent a pension gain for such represented employees, as described above; and

WHEREAS, because of the past, current and future costs to Milwaukee County and its pension fund related to the Rule of 75, and because policymakers have clearly expressed in prior ordinance amendments their intent to limit the Rule of 75 benefit to those nonrepresented employees already eligible to receive it, it is appropriate and desirable to prevent any current employee from gaining that benefit; and

WHEREAS, limiting the Rule of 75 to those nonrepresented employees currently eligible for the Rule of 75 does not affect the current pension benefit of any member of the retirement system; and

WHEREAS, the Pension Study Commission reviewed the actuary's report on _____, _____, 2011 and has recommended the County Board adopt the proposed changes (Vote X-X); and

WHEREAS, the Pension Board was provided an opportunity to comment on the proposed change and its response has been received;

NOW THEREFORE

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby amends Section 201.24(4.1) of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 201.24(4.1) of the General Ordinances of Milwaukee County is amended as follows:

Section 4.1. Normal retirement.

(1) (a) A member shall be eligible for a normal pension if his employment is terminated on or after he has attained age fifty-five (55) and has completed thirty (30) years of service, or if his employment is terminated on or after he has attained normal retirement age as defined in section 2.18. Deputy sheriffs shall be eligible to retire at age fifty-seven (57) regardless of their number of years of service or at age fifty-five (55) with at least fifteen (15) years of creditable pension service.

(b) Notwithstanding the provisions of subparagraph (a), a member of the International Association of Machinists and Aerospace Workers whose initial membership date is before January 1, 2012 shall not be eligible for a normal pension until the member has attained normal retirement age as defined in section 2.18 and has completed five (5) years of service.

(c) Notwithstanding the provisions of subparagraph (a), a member of the Federation of Nurses and Health Professionals whose initial membership date is before January 1, 2012 shall not be eligible for a normal pension until the member has attained normal retirement age as defined in section 2.18 and has completed five (5) years of service.

(2) Rule of 75.

(a) A member who, on September 29, 2011, is employed and is not covered by the terms of a collective bargaining agreement, at the time his employment is terminated and whose initial membership in the retirement system under section 201.24 began prior to January 1, 2006, and who retires on and after September 1, 1993, shall be eligible for a normal pension when the age of the member when

added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5 nor to any nonrepresented deputy sheriff who was hired as a deputy sheriff after December 31, 1993 and whose appointment to a nonrepresented position was first effective after June 30, 2009, nor to a member who was formerly a represented correction officer who was hired as a correction officer after December 31, 1993 and who was appointed to a non-represented position effective after May 1, 2011.

(b) A member who, on September 29, 2011, is employed and is covered by the terms of a collective bargaining agreement with ~~of~~ the American Federation of State, County and Municipal Employees District Council 48, ~~or of~~ with the Technicians, Engineers and Architects of Milwaukee County, ~~or of~~ with the International Association of Machinists and Aerospace Workers, and whose initial membership date is prior to January 1, 1994, shall be eligible for a normal pension when the age of the member when added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5.

(c) A member who, on September 29, 2011, is employed and is covered by the terms of a collective bargaining agreement with ~~of~~ the Federation of Nurses and Health Professionals, and whose initial membership date is prior to January 1, 1997, shall be eligible for a normal pension when the age of the member when added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5.

(d) A member who, on September 29, 2011, is employed and is covered by the terms of a collective bargaining agreement with ~~of~~ the Association of Milwaukee County Attorneys, and whose initial membership date is prior to January 1, 2006, shall be eligible for a normal pension when the age of the member when added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5.

(e) A member who, on September 29, 2011, is employed and is covered by the terms of a collective bargaining agreement with ~~of~~ the Milwaukee Building and Construction Trades Council, and whose initial membership date is prior to February 21, 2006, shall be eligible for a normal pension when the age of the member when added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 19, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution amending section 201.24(4.1) pertaining to eligibility for the Rule of 75 of nonrepresented employees.

FISCAL EFFECT:

No Direct County Fiscal Impact

Increase Capital Expenditures

Existing Staff Time Required

Decrease Capital Expenditures

Increase Operating Expenditures
(If checked, check one of two boxes below)

Increase Capital Revenues

Absorbed Within Agency's Budget

Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures

Use of contingent funds

Increase Operating Revenues

Decrease Operating Revenues

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this Resolution will not change the current pension benefits for any employee and therefore will not have a fiscal impact on the County. Unknown fiscal savings are possible in the future depending on changes by an unknown number of employees from represented to nonrepresented positions. An actuarial report has been requested and will be submitted when received.

Department/Prepared By Corporation Counsel

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes X No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

September 15, 2011

Supervisor Paul M. Cesarz
Chairman
Pension Study Commission
901 N. 9th St.
Milwaukee, WI 53233

Re: Actuary's Review of Non-Represented Employees Ordinance Amendment of Rule of "75" to the Employees' Retirement System

Dear Supervisor Cesarz:

As requested, we have analyzed the actuarial impact on the Milwaukee County Employees' Retirement System of the attached, proposed ordinance amendment to Section 201.24(4.1) of the Milwaukee County Code of General Ordinances as it pertains to the "Rule of 75." Currently, there are various employee groups within the county which could become eligible for the "Rule of 75" if these groups become non-represented. This amendment, if adopted, would eliminate the "Rule of 75" for various represented members who become non-represented.

Actuarial Analysis

The ordinance amendment maintains "status-quo" in the Retirement System in the event that current represented members become non-represented. Specifically, the amendment provides that an employee who is eligible for the Rule of 75 on September 29, 2011 will maintain that eligibility regardless of any change in their position or any change in their union status; conversely, any employee who is not eligible for the Rule of 75 on that date will not become eligible regardless of any change in their position or any change in their union status. Because the amendment does not change any current employee's current eligibility for this benefit, there is no actuarial impact by adopting the proposed ordinance amendment.

There is an actuarial impact, however, if this proposed amendment *is not* adopted. If this amendment is not adopted, and some unknown number of employees changes their status at some unknown date in the future, Retirement System costs will increase. Because of the unknown circumstances regarding any employee's future changes in status, a projection of future savings cannot be calculated. In other similar circumstances, we have calculated a savings (see our report dated April 13, 2011). In this case, we have roughly estimated the impact of not adopting this amendment to be roughly \$10,000 to \$50,000 per member of affected groups that become non-represented and eligible for "Rule of 75," depending on the classification of the employees potentially involved.

The undersigned is a Member of the American Academy of Actuaries and meets the Academy's Qualification Standards to issue this Statement of Actuarial Opinion.

Supervisor Paul M. Cesarz
Chairman
Pension Study Commission
September 15, 2011
Page 2

Please call if you have any questions.

Sincerely,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary

LFL:pl
19150/C7236RET01-Review-Rule-75.doc

cc: Mark Grady
Marco Ruffini

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 6, 2011

TO: Chairman Lee Holloway, Milwaukee County Board of Supervisors

FROM: Mark A. Grady, Deputy Corporation Counsel,
Chair, Employee Benefits Workgroup

SUBJECT: Elimination of Medicare Part B Premium Reimbursement for non-public
safety worker union members

Please refer the attached resolution and ordinance amendment to the Committee on Finance and Audit and to the Committee on Personnel.

2011 Wisconsin Act 10 (the budget repair bill) became effective on June 30, 2011. Under that law, Milwaukee County is prohibited from collective bargaining over premium contributions towards health plan benefits, except for public safety workers unions (Deputy Sheriffs Association and Firefighters). The 2011 Adopted Budget, Org. Unit 1972, provided for the elimination of reimbursement of Medicare Part B premiums for future retirees entitled to county paid retirement health benefits. County ordinances were previously amended for nonrepresented employees to eliminate this benefit for retirements after April 1, 2011. Ordinance amendments are now permitted by state labor law, and are required in order to effectuate this policy, for members of non-public safety worker unions. As noted, this change cannot be made unilaterally for members of the Deputy Sheriffs Association and the Firefighters union and must be negotiated with those unions.

The attached ordinance amendment makes this policy change for members of non-public safety worker unions as soon as legally permissible and administratively possible. For all non-public safety worker union except FNHP, the change is proposed to be effective for retirements after December 31, 2011. For members of FNHP, the change is proposed to be effective for retirements after December 31, 2012.

cc: County Executive Chris Abele
Linda Durham
Jodi Mapp

A RESOLUTION

To implement provisions of the 2011 Adopted Budget, Org. Unit 1950 – Employee Fringe Benefits, for non-public safety worker employees, as permitted by 2011 Wisconsin Act 10 and 2011 Wisconsin Act 32.

WHEREAS, the provisions of 2011 Wisconsin Act 10 and 2011 Wisconsin Act 32 prohibit collective bargaining over premium contributions for health plan benefits, except for represented public safety workers; and

WHEREAS, the 2011 Adopted Budget for Org. Unit 1950 – Employee Fringe Benefits, included a policy direction for elimination of Medicare Part B premium reimbursement for employees entitled to county paid health coverage during retirement, and

WHEREAS, this change was implemented effective for retirements after April 1, 2011 for nonrepresented employees entitled to county paid health coverage during retirement; and

WHEREAS, state law allows this policy direction to be adopted at any time for employees represented by the American Federation of State, County and Municipal Employees; and

WHEREAS, for employees represented by the Association of Milwaukee County Attorneys, the Milwaukee Building and Trades Council, the Technicians, Engineers, and Architects of Milwaukee County, and the International Association of Machinists and Aerospace Workers, state law allows this policy to be adopted for retirements after the termination on December 31, 2011 of their current collective bargaining agreements; and

WHEREAS, for employees represented by the Federation of Nurses and Health Professionals, state law allows this policy to be adopted for retirements after the termination on December 31, 2012 of their successor collective bargaining agreement; and

WHEREAS, with the elimination of Medicare Part B reimbursement for future retirees, Milwaukee County will realize benefit savings; now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby amends Section 17.14(7)(ee) of the Milwaukee County Code of General Ordinances by adopting the following:

36

AN ORDINANCE

37 The County Board of Supervisors of the County of Milwaukee does ordain as
38 follows:

39 **SECTION 1.** Section 17.14(7)(ee) of the General Ordinances of Milwaukee County is
40 amended as follows:

41 **17.14. Employment definitions.**

42 (7)(ee) Retired members of the county retirement system who are eligible for continuing
43 their health insurance benefits at county expense under the provision of this section
44 shall be eligible for reimbursement of the cost of their Medicare Part B premiums, as
45 well as the Medicare Part B premiums of their eligible spouse and dependents.

46 (1) The provisions of section (ee) shall not apply to members not represented by
47 a collective bargaining unit who retired and began receiving benefits from the
48 Milwaukee County Employees Retirement System after April 1, 2011, nor to members
49 represented by the American Federation of State, County and Municipal Employees, the
50 Association of Milwaukee County Attorneys, the Milwaukee Building and Trades
51 Council, the Technicians, Engineers, and Architects of Milwaukee County, and the
52 International Association of Machinists and Aerospace Workers who retired and began
53 receiving benefits from the Milwaukee County Employees Retirement System after
54 December 31, 2011, nor to members represented by the Federation of Nurses and
55 Health Professionals who retired and began receiving benefits from the Milwaukee
56 County Employees Retirement System after December 31, 2012. For members
57 represented by ~~a collective bargaining unit~~ the Deputy Sheriffs Association and the
58 Milwaukee County Firefighters Association, the provisions of ~~this sections~~ (dd) and (ee)
59 shall be applicable in accordance with their respective labor contracts.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9/7/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Proposed Change to County Ordinances Sections 17.14 .related to Medicare Part B

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input checked="" type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	75,000
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. The signing of Wisconsin Act 32 and Wisconsin Act 10 have allowed the County to begin making changes to wages and benefits that had previously been negotiated with labor organizations that had represented Milwaukee County employees. The County had included in its 2011 budget changes to wages and benefits that were proposed for negotiation with labor unions and non-represented employees. The County adopted many of the changes for non-represented employees in County Board Resolution 10-463 in December 2010. Included in the 2011 Fringe Benefit Budget was the elimination of Medicare Part B reimbursement, for those employees who retire after March 31, 2011. The resolution 10-463 adopted the change in ordinance 17.14 (7) (ee) to eliminate the reimbursement of Medicare Part B reimbursement for those non-represented employees who retire after March 31, 2011. The fiscal note included with Resolution 10-463 indicated that \$78,000 would be saved in 2011 for non-represented employees who retire after March 31 due to the elimination of Medicare Part B reimbursement. The 2011 budget had indicated that total savings for 2011 for eliminating Medicare B reimbursement was \$100,000. The attached resolution calls for a cut-off date of December 31, 2011 for Medicare Part B reimbursement for represented employees whose contract ends in 2011. The resolution further states that Medicare Part B reimbursement would be eliminated for those represented members whose contract expires in 2012. The Firefighters and Deputy Sheriff represented employees would not be impacted by this ordinance change.
- B. The 2011 Adopted Budget includes savings associated with healthcare plan design changes. Medicare Part B elimination for those employees eligible for post retirement health care was also included in the adopted budget. The figures below represent the fiscal impact for 2011 and 2012 due to the elimination of Medicare Part B for certain represented employees.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

- \$0 levy savings in 2011 and \$75,000 in 2012 is budgeted for the Medicare Part B change. 2011 will not show any savings since the effective date of the ordinance change is January 1, 2012.
- C. The savings projected for 2011 will not help offset costs that had been budgeted for 2011 fringe benefits. The budget had estimated that these savings would be achieved earlier, but it appears that the impact related to the later adoption of Medicare Part B is less than \$50,000 for 2011.
- D. Assumptions related to the application and timing of these provisions to bargaining units and retirees are detailed above. There are approximately 2,000 employees who are still eligible for post-retirement health care, of which 1,500 are currently represented. It is assumed that 150 people will retire in 2012, who are eligible for post retirement health care. Further, a percentage of them will be eligible for Medicare, and therefore, would begin paying Medicare Part B premiums, that would not be reimbursed by the County.

Department/Prepared By Scott Manske

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: April 5, 2011

TO: Supervisor Lee Holloway, Chairman, County Board

FROM: Employee Benefits Work Group

SUBJECT: Implementation of 2010 Wage and Benefit Modifications

Issue

Upon legal adoption of 2011 Wisconsin Act 10, also known as the Budget Repair Bill, the County will be able to apply the wage and benefit concessions included in the 2010 and 2011 Adopted Budgets to members of the American Federation of State, County and Municipal Employees, District Council 48. In addition, the County is required to immediately impose a 6% pension contribution as opposed to the 4% contribution that was intended to be phased in over the course of 2011. The pension contribution will apply to members of DC 48 and non-represented employees upon adoption of the Budget Repair Bill. It will apply to all other employees represented by non-public safety bargaining units effective January 2012. Implementing these changes will allow the County to rescind the remaining furlough days and, depending on when the changes become effective, partially offset reductions included in the state budget in 2011 and 2012. To reiterate, however, none of these changes can be implemented until 2011 Wisconsin Act 10 is effective.

Background

Adopted Wage and Benefit Modifications

The 2010 Budget included savings associated with changes to the healthcare plan and overtime policies. The healthcare changes are presented in Attachment 1.

Overtime changes are all in accordance with the Fair Labor Standards Act (FLSA) and include:

- Overtime pay will begin after 40 hours is worked in a week as opposed to 8 hours being worked in a single day. For example, previously an employee who worked 10 hours in a single day was paid overtime even if they did not work more than 40 hours for that week. With this change, they would not earn overtime for any week in which they worked 40 hours or less regardless of the number of hours worked on any single day of that week.
- Overtime will be based on hours worked, as opposed to hours credited. Previously an employee who utilized 8 hours of vacation and worked 40 hours would receive overtime. With this change, they would not earn overtime for that week.
- FLSA exempt non-salaried employees will earn overtime only as compensatory time-off unless otherwise approved by the Human Resources Director.

The 2010 Budget also reduced the pension multiplier factor used in calculating an employee's pension from 2.0 to 1.6 and increased the retirement age from age 60 to 64. However, as adoption of these two pension-related changes requires an actuarial report and review by the Pension Study Commission, they will be presented in a separate report, in a later cycle.

Corresponding pension ordinance changes are not included with this report and the fiscal impact is not included in the fiscal note.

While the 2010 changes were applied to non-represented employees and partially applied to members of five bargaining units with settled contracts (see Table 1), unrealized savings from all of these changes were carried forward into the 2011 Budget.

The 2011 Budget also included additional wage and benefit modifications. These included the continuation of a freeze on pay range step advancements and the phased in implementation of a 4% employee pension contribution. In addition, the Medicare Part B reimbursement was eliminated for non-represented employees who retired after March 31, 2011. Medicare Part B for AFSCME employees is not addressed in this report or in the proposed ordinance changes. Represented staff will continue to receive this benefit.

The 2010 modifications were offset in 2011 by 26 furlough days while the 2011 changes were to be offset by unspecified corrective action. Currently, approximately 1200 employees are taking one furlough day per pay period but no other additional corrective actions have been taken.

Milwaukee County's bargaining units have agreed to some but not all of these proposed changes as shown in table 1. As will be discussed below, 2011 Wisconsin Act 10, once effective, will allow Milwaukee County to make these changes for all non-public safety bargaining units upon the expiration of their current contract.

Table 1 – Status of 2010 and 2011 Wage and Benefit Modifications by Union

	2010 HC Changes	2010 OT Changes	2010 Multiplier and Ret. Age	2011 Step Freeze	Pension Contribution	When impacted by Act 10
Attorneys	Yes	NA	Yes	No	No	2012
Building Trades	Partial	No	No	No	No	2012
DC48	No	No	No	No	No	Upon Adoption
Deputy Sheriffs	No	No	No	No	No	NA
Firefighters	No	No	No	No	No	NA
Machinists	Yes	No	Yes	No	No	2012
Non-rep	Yes	Yes	Yes	Yes	Yes	Upon Adoption
Nurses	Partial	No	No	No	No	2012
TEAMCO	Yes	NA	Yes	No	No	2012

** It is assumed the Budget Repair Bill will become effective during 2011; otherwise the unions with contracts expiring in 2012 would not be impacted until the Repair Bill becomes effective.*

Budget Repair Bill

Wisconsin Act 10, also referred to as the Budget Repair Bill, was passed by the Wisconsin Senate in early March but is currently the subject of a temporary restraining order. If and when this legislation becomes effective, Milwaukee County will have the ability to change the non-base pay compensation and benefits of employees represented by non-public safety bargaining units when their contracts expire. Currently, this only includes the American Federation of State, County and Municipal Employees District Council 48. However, as of January 1, 2012 it will also include employees represented by District No. 10 of the International Association of Machinists and Aerospace Workers; the Technicians, Engineers and Architects of Milwaukee County; the Federation of Nurses and Health Professionals; the Building Trades and Attorneys of Milwaukee County

The Repair Bill also mandated that all Milwaukee County employees contribute half of the actuarially determined pension contribution. This has been calculated in consultation with the County's actuary to be 6.0% for 2011. A few important points regarding this calculation:

- This figure will change each year based on how the retirement system performs as compared to actuarial assumptions. It is likely to increase over the next 2 years as the 2008 market losses continue to be smoothed in over a 5-year period.
- The pension system's normal cost is approximately 8.4% of salary. The required pension contribution is greater than half of the normal cost because prior service cost, or the unfunded liability, must also be considered. Because the Budget Repair bill established fixed rates for the state and the City of Milwaukee and a fluctuating rate for the County, the County's contribution rate will differ from both other systems.
- Going forward, it is likely that this contribution rate will be established as part of the annual budgeting process for the subsequent year based on the actuary's estimated required contribution.
- As is the case with the existing pension contribution, this deduction to salary will be taken pre-tax in order to reduce the impact on employees. It is anticipated that the state-mandated contributions will be handled in the same manner as the existing county adopted contributions. Thus, if an employee leaves the County before vesting, their contributions will be returned at a 5% interest rate.

As a result, the 2% pension contribution that was to have increased to 4% by the end of the year that was adopted as part of the 2011 Budget will immediately be superseded by the state law and will increase to 6% when the law becomes effective. This will immediately apply to non-represented employees, elected officials and to employees represented by DC48. It will apply to all other employees represented by non-public safety bargaining units in January 2012 (assuming adoption during 2011 of the Repair Bill). Depending on when this change becomes effective, savings could exceed those budgeted for the originally contemplated phased-in 4% contribution in 2011. These savings could then be used to help offset state budget reductions in 2011 and 2012. While this change also requires an actuarial report and Pension Study Commission review, the Department of Administrative Services must implement the change as soon as the law becomes effective since it represents state statute. For that reason, the fiscal effect of the change is being considered in this report even though the ordinance changes will likely be considered in a later cycle.

Recommendation

The policies discussed above have been adopted by the County in the 2011 Budget. As dictated by the adopted budget and in order to maximize savings to keep the 2011 Budget balanced and partially offset potential state budget reductions in 2011 and 2012, the Employee Benefits Workgroup recommends implementing the 2010 Healthcare plan design changes, overtime modifications and step freeze for employees represented by District Council 48, to be effective once the Budget Repair Bill becomes law. In addition, as required by Wisconsin Act 10, the Workgroup acknowledges that the County must implement a 6% pension contribution when the Repair Bill becomes legally effective for non-represented employees and employees represented by DC48. The pension contribution shall be applied to all other employees represented by non-public safety bargaining units effective the first pay period January 2012, assuming Wisconsin Act 10 is effective before that date.

The Employee Benefits Work Group will recommend implementing the 1.6 multiplier, age 64 retirement and Medicare Part B changes for employees represented by DC 48 at a later date.

Given the amount of confusion surrounding this issue, it is important to note the following:

- These recommendations represent policies adopted in the 2010 and 2011 Adopted Budget.
- Approving the ordinance changes included in this report will only immediately affect DC48 represented employees once Wisconsin Act 10 is effective. Non-represented staff and DC48 employees will also be subject to a 6% pension contribution as required by state statute.
- Changes in the pension multiplier and retirement age are not included in these ordinance changes but will likely be brought forth in the near future after an actuarial report and Pension Study Commission review is completed.
- Medicare Part B premium reimbursements for represented employees are NOT affected by any of the attached changes. All represented staff regardless of their retirement date will continue to receive this benefit.
- Eligibility for county-paid (i.e., premium free) retiree healthcare is NOT affected. Employees eligible for retiree health care will continue to receive this benefit based on the non-represented employee plan design regardless of their retirement date.
- Eligibility for a pension and back-drop is NOT affected. Employees will continue to earn pension service credit and preserve their back-drop if they currently are eligible for one.
- Eligibility and the calculation of accrued sick-time payouts is NOT affected.
- Additional information on the impacts of the Budget Repair Bill are available in a "Frequently Asked Questions" document that is available on the County's intranet. In addition, questions can be emailed to ***RepairBill_QandA@milwcnty.com***.

Furthermore, as depicted in the fiscal note, since the savings from these actions will completely offset the expected savings from furlough days, the Employee Benefits Work Group, recommends that furlough days be eliminated once the Repair Bill becomes effective and these changes can be implemented. The elimination of furlough days is subject to any action by the new County Executive. It is important to also note the following:

- It is anticipated that furlough days for all employees will only be rescinded when the Repair Bill becomes legally effective. Until that time, affected employees MUST continue to take furlough days.

- When a cut-off date for furlough days is decided upon, an expected pro rata furlough total will be determined. Employees, who have not met that minimum amount, will continue to have a furlough balance that they are expected to fulfill. For example, if the Repair Bill becomes effective mid-year, furlough balances will be reduced to 13 days. If an employee has only taken 10 furlough days, they will still be expected to take 3 additional days. More information on this procedure will be provided.

Assuming a mid-year implementation in 2011, these actions will result in savings of \$2,096,247. It is estimated these actions will result in \$10,514,928 of savings in 2012. Of this 2012 amount, \$3.9 million is not already budgeted. These figures do not include revenue offsets so the actual levy impact will be less.

Cc: Marvin Pratt, County Executive
E. Marie Broussard, Deputy Chief of Staff, County Executive
Terry Cooley, Chief of Staff, County Board
Carol Mueller, County Board Clerk
Jody Mapp, County Board Clerk
Employee Benefit Work Group members

Summary of Plan Changes Required by the 2011 Adopted Budget**Actively Employed Members of AFSCME DC 48*****Medical Plan Changes:***

	HMO Comparable	PPO Comparable
Deductible	None <i>(no change)</i>	Network: \$250 per person to a family maximum of \$750 Out-of-Network: \$500 per person to a family maximum of \$1,500 <i>(increase of \$100 per person)</i>
Outpatient Services	100% of eligible expenses after any copays and deductibles <i>(no change)</i>	Network: 90% of eligible expenses after any copays and deductibles Out-of-Network: 70% of eligible expenses after any copays and deductibles <i>(Out-of-network previously covered at 80%)</i>
Inpatient Services	100% of eligible expenses after any copays and deductibles <i>(no change)</i>	Network: 90% of eligible expenses after any copays and deductibles Out-of-Network: 70% of eligible expenses after any copays and deductibles <i>(Out-of-network previously covered at 80%)</i>
Emergency Room	\$100 Copay <i>(increase of \$50 per visit)</i>	\$100 Copay <i>(increase of \$50 per visit)</i>

Out-of-Pocket Maximums	Not Applicable <i>(no change)</i>	Network: \$2,000 per person to a family maximum of \$3,500 Out-of-Network: \$4,000 per person to a family maximum of \$6,000 <i>(increase of \$500 per person)</i>
Mental Health /Substance Abuse – Outpatient Services	\$10 Copay <i>(coverage levels required by the Mental Health Parity Act now apply)</i>	Network: \$20 Copay Out-of-Network: \$40 Copay <i>(coverage levels required by the Mental Health Parity Act now apply)</i>
Mental Health / Substance Abuse – Inpatient Services	100% <i>(applies Mental Health Parity Act)</i>	Network: 90% Out-of-Network: 70% <i>(applies Mental Health Parity Act)</i>

Note: The tables above are intended as a summary of changes only. For specific coverage terms, provisions, conditions, limitations, or exclusions please refer to your summary plan description.

A RESOLUTION

To implement provisions of the 2010 and 2011 Adopted Budgets, Org. Unit 1972 – Wage and Benefit Modifications, for non-public safety collective bargaining units, and to propose a pro rata reduction in furlough days for active employees represented by AFSCME District Council 48, all of which are contingent upon the legal effective date of 2011 Wisconsin Act 10.

WHEREAS, the 2010 Adopted Budget for Org. Unit 1972 – Wage and Benefit Modifications, included wage, health and pension modifications for all employees, including:

1. An increase in the normal retirement age for new members of the Employee Retirement System (ERS) from age 60 to age 64,
2. A reduction in the annual pension service credit multiplier for members of the ERS for all future years from 2.0% to 1.6%,
3. The elimination of incremental wage and salary advancements for calendar year 2010,
4. Increases in employee premium contributions and certain co-pay and deductible amounts under the Milwaukee County Group Health Benefit Plan, and
5. Changes to overtime compensation in accordance with the Fair Labor Standards Act

;and

WHEREAS, these modifications were implemented in 2010 for non-represented employees (File No. 09-471) and are contained in collective bargaining agreements with some of the unions representing non-public safety county employees; and

WHEREAS, employees represented by AFSCME District Council 48 have been working under a status quo continuation of the collective bargaining agreement with Milwaukee County that expired December 31, 2008; and

WHEREAS, the Milwaukee County 2011 Adopted Budget imposed up to 26 furlough days for employees represented by AFSCME DC48 in the absence of a new collective bargaining agreement containing the modifications set forth above or equivalent fiscal savings; and

35 WHEREAS, 2011 Wisconsin Act 10, known as the Budget Repair Bill, contains
36 provisions that prohibit collective bargaining over non-base wage and benefit items for
37 non-public safety employees and that implement a mandatory pension contribution; and

38 WHEREAS, upon the effective date of 2011 Wisconsin Act 10, the County will
39 have the authority to immediately implement the modifications listed above from the
40 2010 Adopted Budget for Org. Unit 1972 for AFSCME DC 48 employees and will be
41 required by that law to immediately begin collection of pension contributions from
42 nonrepresented employees, elected officials and AFSCME DC 48 employees; and

43 WHEREAS, with the implementation of these changes and the mandatory
44 pension contributions, Milwaukee County will realize previously budgeted wage and
45 benefit savings, permitting the elimination of a portion of the 26 furlough days imposed
46 on members of AFSCME DC 48; and

47 WHEREAS, because the increase in the normal retirement age for new members
48 of the ERS and the reduction in the annual pension service credit multiplier from 2.0%
49 to 1.6% for members of AFSCME DC48 will require an actuarial review prior to
50 implementation, and such review has been requested but not yet completed, those
51 provisions of the 2010 wage and benefit modifications are not recommended at this
52 time; and

53 WHEREAS, upon the effective date of 2011 Wisconsin Act 10 or the expiration of
54 other non-public safety collective bargaining agreements on December 31, 2011,
55 whichever is later, the County will be authorized to implement the wage and benefit
56 modifications outlined herein, along with those contained in the 2011 Adopted Budget,
57 as well as other subsequent policy directives adopted by action of the County Board
58 and County Executive; now, therefore,

59 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby
60 authorizes and directs the Department of Administrative Services to implement, as soon
61 as permitted by law, the following wage and benefit policies for active employed
62 members of AFSCME District Council 48:

- 63 1. The Milwaukee County 2010 Group Health Benefit Plan
- 64 2. The elimination of incremental wage and salary advancements for one year
65 and one day
- 66 3. Changes to overtime compensation in accordance with the Fair Labor
67 Standards Act;

68 BE IT FURTHER RESOLVED, that the 2011 Adopted Budget policy of imposing
69 26 furlough days on members of AFSCME District Council 48 shall be modified on a pro
70 rata basis to coincide with the implementation date of wage and benefit modifications
71 contained herein, once permitted on the effective date of 2011 Wisconsin Act 10; and

72 BE IT FURTHER RESOLVED, to codify these changes, the Milwaukee County
73 Board of Supervisors hereby amends Sections 17.10, 17.14, and 17.16 of the
74 Milwaukee County Code of General Ordinances by adopting the following:

75 **AN ORDINANCE**

76 The County Board of Supervisors of the County of Milwaukee does ordain as
77 follows:

78 **SECTION 1.** Section 17.10 of the General Ordinances of Milwaukee County is
79 amended as follows:

80 **17.10. Advancement within a pay range.**

81 The incumbent of a position shall be advanced to the next highest rate of pay in the pay
82 range provided for the classification only upon meritorious completion of two thousand
83 eighty (2,080) straight time hours paid. Deviation from this requirement is permissible
84 under the following conditions:

- 85 (1) A department head may permit an employe to be advanced one (1) additional
86 step in the range if advancement to the next highest rate above the rate
87 originally received results in a pay increase of less than twenty-one cents
88 (\$0.21) per hour.
- 89 (2) The director of human resources may approve the request of any department
90 head to advance a promoted employe or incumbent of a reclassified position
91 one (1) additional step in the range if the employe would have advanced in the
92 classification from which they were promoted to the same rate of pay within
93 ninety (90) days of the promotion. The decision of the director may be appealed
94 to the committee on personnel within thirty (30) days of notice. The decision of
95 the county board on the committee recommendation, subject to review by the
96 county executive, shall be final.
- 97 (3) Department heads:
- 98 (a) Who have adopted the annual performance appraisal system revised in
99 1986 and approved by the director of human resources may advance an
100 employe who has exhibited exemplary performance up to two (2) steps in
101 the pay range providing the director has verified that the performance
102 evaluation system has been implemented in the appropriate manner.
103 Such advancements shall be implemented in accordance with subsection
104 (4) of this section.
- 105 (b) May request an advancement in the pay range for an employe who holds
106 a position which is critical to the operation of their department if the
107 request is necessary to retain the employe in county service. The request
108 may be implemented upon approval of the director, in accordance with
109 subsection (4) of this section.
- 110 (c) In subsections (a) and (b) above the decision of the director of human
111 resources may be appealed to the committee on personnel within thirty
112 (30) days of notice. The decision of the county board on the committee's

113 recommendation, subject to review by the county executive, shall be final
114 and shall be implemented the first day of the first pay period following
115 review by the county executive, or in the event of a veto, final county
116 board action.

117 (4) Monthly while any advancements within a pay range requested by departments,
118 pursuant to subsections (3)(a) and (3)(b) are pending, the director of human
119 resources shall provide a report to the committee on personnel which lists all
120 such advancements which the director intends to approve, along with a fiscal
121 note for each. This report shall be distributed to all county supervisors and
122 placed on the committee agenda for informational purposes. If a county
123 supervisor objects to the decision of the director within seven (7) working days
124 of receiving this report the advancement shall be held in abeyance until resolved
125 by the county board, upon recommendation of the committee, and subsequent
126 county executive action. If no county supervisor objects, the advancement shall
127 be implemented the first day of the first pay period following the meeting of the
128 committee. In the event the county board takes no action on an advancement,
129 after receipt of a recommendation from the committee, the advancement shall
130 be implemented the first day of the first pay period following action by the county
131 executive or, in the event of a veto, final county board action.

132 (5) From January 1, 2010 through December 31, 2011, notwithstanding any other
133 provisions of this code, incumbents of a position not represented by a collective
134 bargaining unit who would have received an advance in the pay range upon the
135 meritorious completion of two thousand eighty (2,080) hours, shall be advanced
136 to the next highest rate of pay in the pay range provided for the classification
137 only upon meritorious completion of an additional four thousand one hundred
138 and sixty (4,160) straight-time hours for full-time positions, and a prorated
139 fraction thereof for employees whose scheduled work week is less than forty
140 (40) hours or who began employment after January 1, 2010. The intent of this
141 section is to temporarily suspend incremental salary advancements for
142 nonrepresented employees for 2010 and 2011, consistent with the terms of the
143 2010 and 2011 Adopted Budget.

144 (6) From the effective date of 2011 Wisconsin Act 10 until one year and one day
145 thereafter, notwithstanding any other provisions of this code, incumbents of a
146 position represented by the American Federation of State, County and Municipal
147 Employees District Council 48 who would have received an advance in the pay
148 range upon the meritorious completion of two thousand eighty (2,080) hours,
149 shall be advanced to the next highest rate of pay in the pay range provided for
150 the classification only upon meritorious completion of an additional two thousand
151 and eighty (2080) straight-time hours for full-time positions, and a prorated
152 fraction thereof for employees whose scheduled work week is less than forty
153 (40) hours or who began employment after the legal effective date of 2011
154 Wisconsin Act 10. The intent of this section is to temporarily suspend
155 incremental salary advancements for employees represented by District Council
156 48 for one year consistent with the terms of the 2011 Adopted Budget.
157

158 **SECTION 2.** Section 17.14 (8) of the General Ordinances of Milwaukee County is
159 created as follows:

160 **17.14. Employment definitions.**

161 (8) Milwaukee County Group Health Benefit Program for actively employed members
162 represented by AFSCME District Council 48. Changes to Section 17.14(8) shall become
163 effective as soon as administratively possible following the legal adoption of 2011 Wisconsin Act
164 10.

165 (a) Health and dental benefits shall be provided for in accordance with the terms and
166 conditions of the current plan document and the group administrative agreement for the
167 Milwaukee County Health Insurance Plan or under the terms and conditions of the
168 insurance contracts of a Managed Care Organization (HMO) approved by the county.

169 (b) All health care provided shall be subject to utilization review.

170 (c) Eligible employes may choose health benefits for themselves and their dependents
171 under a preferred provider organization (county health plan or PPO) or HMO approved
172 by the county.

173 (d) Eligible employees enrolled in the PPO or HMO shall pay a monthly amount toward
174 the monthly cost of health insurance as described below:

175 (1) Employees enrolled in the HMO comparable plan shall pay fifty dollars
176 (\$50.00) per month toward the monthly cost of a single plan and one
177 hundred dollars (\$100.00) per month toward the monthly cost of a family
178 plan.

179 (2) Employees enrolled in the PPO comparable plan shall pay ninety dollars
180 (\$90.00) per month toward the monthly cost of a single plan and one
181 hundred eighty dollars (\$180.00) per month toward the monthly cost of a
182 family plan.

183 (3) The appropriate payment shall be made through payroll deductions.
184 When there are not enough net earnings to cover such a required
185 contribution, and the employee remains eligible to participate in a health
186 care plan, the employee must make the payment due within ten (10)
187 working days of the pay date such a contribution would have been
188 deducted. Failure to make such a payment will cause the insurance
189 coverage to be canceled effective the first of the month for which the
190 premium has not been paid.

191 (4) The county shall deduct employees' contributions to health insurance on
192 a pre-tax basis pursuant to a section 125 plan.

193 (5) The county shall establish and administer flexible spending accounts
194 (FSAs) for those employees who desire to pre-fund their health insurance
195 costs as governed by IRS regulations. The county retains the right to
196 select a third party administrator.

197 (e) In the event an employe who has exhausted accumulated sick leave is placed on
198 leave of absence without pay status on account of illness, the county shall continue to
199 pay the monthly cost or premium for the PPO or HMO chosen by the employe and in

200 force at the time leave of absence without pay status is requested, if any, less the
201 employe contribution during such leave for a period not to exceed one (1) year. The one-
202 year period of limitation shall begin to run on the first day of the month following that
203 during which the leave of absence begins. An employe must return to work for a period
204 of sixty (60) calendar days with no absences for illness related to the original illness in
205 order for a new one-year limitation period to commence.

206 (f) Where both husband and wife are employed by the county, either the husband or
207 the wife shall be entitled to one (1) family plan. Further, if the husband elects to be the
208 named insured, the wife shall be a dependent under the husband's plan, or if the wife
209 elects to be the named insured, the husband shall be a dependent under the wife's plan.
210 Should neither party make an election the county reserves the right to enroll the less
211 senior employe in the plan of the more senior employe. Should one (1) spouse retire
212 with health insurance coverage at no cost to the retiree, the employed spouse shall
213 continue as a dependent on the retiree's policy, which shall be the dominant policy.

214 (g) Coverage of enrolled employes shall be in accordance with the monthly enrollment
215 cycle administered by the county.

216 (h) Eligible employes may continue to apply to change their health plan to one (1) of the
217 options available to employes on an annual basis. This open enrollment shall be held at
218 a date to be determined by the county and announced at least forty-five (45) days in
219 advance.

220 (i) The county shall have the right to require employes to sign an authorization enabling
221 non-county employes to audit medical and dental records. Information obtained as a
222 result of such audits shall not be released to the county with employe names unless
223 necessary for billing, collection, or payment of claims.

224 (j) Amendments to the Public Health Service Act applies federal government (COBRA)
225 provisions regarding the continuation of health insurance to municipal health plans.
226 Milwaukee County, in complying with these provisions, shall collect the full premium from
227 the insured, as allowed by law, in order to provide the continued benefits.

228 (k) The county reserves the right to establish a network of providers. The network shall
229 consist of hospitals, physicians, and other health care providers selected by the county.
230 The county reserves the right to add, modify or delete any and all providers under the
231 network.

232 (n) All eligible employes enrolled in the PPO shall have a deductible equal to the
233 following:

234 (1) The in-network deductible shall be two hundred fifty dollars (\$250.00) per
235 insured, per calendar year; seven hundred fifty dollars (\$750.00) per family, per
236 calendar year.

237 (2) The out-of-network deductible shall be five hundred dollars (\$500.00) per
238 insured, per calendar year; one thousand five hundred dollars (\$1,500.00) per
239 family, per calendar year.

240 (o) All eligible employees and/or their dependents enrolled in the PPO shall be subject to
241 a twenty-dollar (\$20.00) in-network office visit co-payment or a forty-dollar (\$40.00) out-
242 of-network office visit for all illness or injury related office visits. The in-network office
243 visit co-payment shall not apply to preventative care which includes prenatal, baby-
244 wellness, and physicals, as determined by the plan

245 (p) All eligible employees and/or their dependents enrolled in the PPO shall be subject to
246 a co-insurance co-payment after application of the deductible and/or office visit co-
247 payment.

248 (1) The in-network co-insurance co-payment shall be equal to ten (10) percent
249 of all charges subject to the applicable out-of-pocket maximum.

250 (2) The out-of-network co-insurance co-payment shall be equal to thirty (30)
251 percent of all charges subject to the applicable out-of-pocket maximum.

252 (q) All eligible employees enrolled in the PPO shall be subject to the following out-of-
253 pocket expenses including any applicable deductible and percent co-payments to a
254 calendar year maximum of:

255 (1) Two thousand dollars (\$2,000.00) in-network under a single plan.

256 (2) Three thousand five hundred dollars (\$3,500.00) in-network under a family
257 plan.

258 (3) Three thousand five hundred dollars (\$3,500.00) out-of-network under a
259 single plan.

260 (4) Six thousand dollars (\$6,000.00) out-of-network under a family plan.

261 (5) Office visit co-payments are not limited and do not count toward the
262 calendar year out-of-pocket maximum(s).

263 (6) Charges that are over usual and customary do not count toward the
264 calendar year out-of-pocket maximum(s).

265 (7) Prescription drug co-payments do not count toward the calendar year out-of-
266 pocket maximum(s).

267 (8) Other medical benefits not described in (q)(5), (6), and (7) shall be paid by
268 the health plan at one hundred (100) percent after the calendar year out-of-
269 pocket maximum(s) has been satisfied.

270 (r) All eligible employees and/or their dependents enrolled in the PPO shall pay a one
271 hundred dollar (\$100.00) emergency room co-payment in-network or out-of-network. The
272 co-payment shall be waived if the employe and/or their dependents are admitted directly
273 to the hospital from the emergency room. In-network and out-of-network deductibles and
274 co-insurance percentages apply.

275 (s) All eligible employees and/or their dependents enrolled in the PPO or HMO shall pay
276 the following for a thirty (30) day prescription drug supply at a participating pharmacy:

277 (1) Five dollar (\$5.00) co-payment for all generic drugs.

278 (2) Twenty dollar (\$20.00) co-payment for all brand name drugs on the
279 formulary list.

280 (3) Forty dollar (\$40.00) co-payment for all non-formulary brand name drugs.

281 (4) Non-legend drugs may be covered at the five dollar (\$5.00) generic co-
282 payment level at the discretion of the plan.

283 (5) The plan shall determine all management protocols.

284 (t) All eligible employees and/or their dependents enrolled in the HMO shall be subject to
285 a ten-dollar (\$10.00) office visit co-payment for all illness or injury related office visits.
286 The office visit co-payment shall not apply to preventative care. The county and/or the
287 plan shall determine preventative care.

288 (u) All eligible employees and/or their dependents enrolled in the HMO shall pay a one-
289 hundred-dollar (\$100.00) co-payment for each in-patient hospitalization. There is a
290 maximum of five (5) co-payments per person, per calendar year.

291 (v) All eligible employees and/or their dependents enrolled in the HMO shall pay fifty (50)
292 percent co-insurance on all durable medical equipment to a maximum of fifty dollars
293 (\$50.00) per appliance or piece of equipment.

294 (w) All eligible employees and/or their dependents enrolled in the HMO shall pay a one
295 hundred dollar (\$100.00) emergency room co-payment (facility only). The co-payment
296 shall be waived if the employee and/or their dependents are admitted to the hospital
297 directly from the emergency room.

298 (x) The health plan benefits for all eligible employees and/or their dependents for the in-
299 patient and out-patient treatment of mental and nervous disorders, alcohol and other
300 drug abuse (AODA) will be consistent with the mandates of the Federal mental health
301 parity act.

302 (y) Each calendar year, the county shall pay a cash incentive of five hundred dollars
303 (\$500.00) per contract (single or family plan) to each eligible employee who elects to dis-
304 enroll or not to enroll in a PPO or HMO. Any employee who is hired on and after January
305 1, and who would be eligible to enroll in health insurance under the present county
306 guidelines who chooses not to enroll in a county health plan shall also receive five
307 hundred dollars (\$500.00). Proof of coverage in a non-Milwaukee County group health
308 insurance plan must be provided in order to qualify for the five hundred dollars (\$500.00)
309 payment. Such proof shall consist of a current health enrollment card.

310 (1) The five hundred dollars (\$500.00) shall be paid on an after tax basis. When
311 administratively possible, the county may convert the five hundred dollars

312 (\$500.00) payment to a pre-tax credit which the employe may use as a credit
313 towards any employe benefit available within a flexible benefits plan.

314 (2) The five hundred dollars (\$500.00) payment shall be paid on an annual
315 basis by payroll check no later than April 1 of any given year to qualified
316 employes on the county payroll as of January 1. An employe who loses his/her
317 non-county health insurance coverage may elect to re-join the county health
318 plan. The employe would not be able to re-join an HMO until the next open
319 enrollment period. The five hundred dollars (\$500.00) payment must be repaid in
320 full to the county prior to coverage commencing. Should an employe re-join a
321 health plan he/she would not be eligible to opt out of the plan in a subsequent
322 calendar year.

323 (z) The provisions of C.G.O. 17.14(8) shall not apply to seasonal and hourly employes.
324 An hourly employe shall be considered to be one who does not work a uniform period of
325 time within each pay period and shall include an employe who works a uniform period of
326 time of less than twenty (20) hours per week.

327 (aa) The provisions of 17.14(8) shall apply to employes on an unpaid leave of absence
328 covered by workers compensation.

329 **SECTION 3.** Section 17.14 (9) of the General Ordinances of Milwaukee County is
330 amended as follows:

331 (9) *County dental benefit plan and dental maintenance organizations.* Employes who
332 are eligible for group hospital and medical benefits under the provision of subsection (7)
333 or subsection (8) of this section shall also be entitled to dental benefits upon application
334 in accordance with enrollment procedures established by the county, except that retired
335 members of the county retirement system shall not be eligible for dental benefit
336 coverage. Eligible employes may enroll in the county dental benefit plan (fee for service)
337 or a dental maintenance organization approved by the county.

338

339 **SECTION 4.** Section 17.16 of the General Ordinances of Milwaukee County is
340 amended as follows:

341 **17.16. Overtime compensation.**

342 This section shall be applied in the following manner, and consistent with collective
343 bargaining agreements and state and federal regulations:

344 (1) Employes may be assigned to overtime work provided that such overtime shall be
345 limited to emergency conditions which endanger the public health, welfare or safety;
346 or for services required for the protection or preservation of public property; or to
347 perform the essential functions of a department which cannot be performed with the
348 personnel available during normal work hours, either because of vacancies in
349 authorized positions or because of an abnormal peak load in the activities of the

350 department; or for other purposes which specific provision for overtime
351 compensation has been made by the county board. Employees required to work
352 overtime shall be compensated as follows:

- 353 a) Employees represented by a collective bargaining unit shall be compensated for
354 overtime in accordance with provisions of the Fair Labor Standards Act and the
355 respective collective bargaining agreement.
- 356 b) Employees who are not represented by a collective bargaining unit shall be
357 compensated for overtime as follows: employees holding positions which are
358 non-exempt from the Fair Labor Standards Act shall receive time and one-half for
359 all hours worked over forty (40) hours per week regardless of the pay range to
360 which the position held is assigned. Employees holding a position exempt from
361 the Fair Labor Standards Act who are not in an executive classification shall be
362 compensated for overtime for all hours worked in excess of forty (40) hours in a
363 week on a straight time basis and may only liquidate accrued overtime as
364 compensatory time off unless approved by the DAS director of human resources
365 who shall also provide the personnel committee with quarterly reports of all
366 overtime that is paid rather than used as compensatory time off.
- 367 c) Employees holding positions authorized on a seasonal basis shall receive time
368 and one-half for all hours worked in excess of forty (40) hours per week.
- 369 d) Unless a collective bargaining agreement deems otherwise, an appointing
370 authority may approve payment, or the accrual of compensatory time, for
371 overtime. However, no employe may accrue more than two hundred forty (240)
372 hours of compensatory time, unless permitted by the provisions of the Fair Labor
373 Standards Act.
- 374 e) Employees holding positions which are covered by the annual work year who are
375 eligible for time and one-half overtime shall receive payment for the half time
376 portion of the overtime and shall accrue the straight time portion of the overtime
377 as compensatory time, up to a maximum of two hundred forty (240) hours of
378 compensatory time, after which all overtime shall be paid.
- 379 f) Elected officials, members of boards and commissions, and employes
380 compensated on a per diem, per call or per session basis shall not be
381 compensated for overtime.
- 382 g) Employees included in the executive compensation plan are to be considered
383 salaried employes and therefore are not eligible for accrual of compensatory time
384 or payment of overtime. Executive level employes shall be expected to work
385 sufficient hours to perform their assigned duties effectively.
- 386 h) Unless overtime is required in accordance with the provisions of the Fair Labor
387 Standards Act, employes shall not receive overtime for hours worked, or
388 credited, in excess of eight (8) hours per day or forty (40) hours per week, if such
389 overtime is due to holding dual employment status.

- 390 (2) Under the conditions specified for emergency overtime, employees may be
391 permitted to work on holidays or during vacation periods without compensatory time
392 and receive double time for each day so worked provided that only the hours
393 actually worked on each of these days shall be considered in any computation of
394 overtime for the biweekly period in which they occurred; except that

- 395 a) Physicians and psychiatrists employed in the classified service shall receive time
396 and-one-half for each holiday so worked, if such compensation is so authorized
397 by the provisions of section 17.36.
- 398 (3) No payment shall be made for overtime unless funds have been provided for such
399 payment in the appropriation for personal services or unless a surplus exists in such
400 appropriation, by reason of vacancies and turnover in authorized positions.
- 401 (4) The director of human resources may review the time records submitted by the
402 departments for the purpose of determining the extent to which overtime is being
403 worked and compensation time allowed; and may require the heads of departments
404 to submit reports, supplementary information or other data relative to the need for
405 overtime work; may investigate the cause and justification for such overtime; and
406 may prescribe such rules or regulations as in his/her opinion are necessary to
407 control and restrict overtime to emergency conditions. The director is further
408 empowered to recommend changes in procedure or administrative practices which
409 in his/her opinion will eliminate the need for overtime work, and to report to the
410 appropriate committee of the county board instances in which the department head
411 refuses to comply with the recommendations.
- 412 (5) Section 17.16(1)-(4) shall also apply to:
- 413 a) Employees represented by bargaining unit American Federation of State, County
414 and Municipal Employees District Council 48 upon the legal effective date of
415 2011 Wisconsin Act 10.
- 416 b) Employees represented by District No. 10 of the International Association of
417 Machinists and Aerospace Workers; the Technicians, Engineers and Architects
418 of Milwaukee County; the Federation of Nurses and Health Professionals; the
419 Building Trades of Milwaukee County and the Association of Milwaukee County
420 Attorneys upon the legal effective date of the 2011 Wisconsin Act 10 or January
421 1, 2012, whichever is later.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/30/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Impact of Implementing Benefit Changes and Rescinding Furloughs

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-2,096,247	-10,514,928
	Revenue		
	Net Cost	-2,096,247	-10,514,928
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

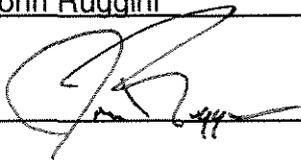
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
 - A. Adoption of the attached resolution and ordinances would apply :
 1. the 2010 healthcare plan design changes (Org 1972) to employees represented by DC48 in 2011 and 2012.
 2. Overtime changes included in the 2011 Budget (org. 1972) are applied employees represented by DC48 in 2011 and 2012.
 3. A step freeze (Org. 1972) for one year to employees represented by DC48
 4. A 6% pension contribution (inclusive of the phased-in 4% contribution already included in the 2011 budget, Org. 1972) to employees represented by DC48 and non-represented staff in 2011 and 2012. No salary increase is assumed for represented staff.
 5. The elimination of all furlough days in 2011.
 - B. The table below shows the fiscal impact of each item, assuming a mid-year 2011 implementation and a full-year of savings in 2012.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Changes	half 2011	2012
2010 Health Care Plan Changes	\$ (587,650)	\$ (1,175,300)
OT Changes	\$ (583,310)	\$ (1,166,620)
Step Freeze	\$ (770,153)	\$ (770,153)
Rep Pension Contribution (budgeted)	\$ (1,344,479)	\$ (4,302,334)
Rep Salary Increase		
Rep 48 Pension Contribution (unbudgeted)	\$ (1,882,271)	\$ (2,151,167)
NR Unbudgeted pension contribution	\$ (830,684)	\$ (949,354)
Furlough Elimination	\$ 3,902,301	
subtotal	\$ (2,096,247)	\$ (10,514,928)

- C. Of the savings depicted above, \$2,096,247 in 2011 and \$3,870,673 in 2012 is not budgeted providing the County with additional funds to offset state budget reductions.
- D. The following assumptions were made:
1. It is assumed the Budget Repair Bill becomes legally effective mid-year in 2011 so that the 2011 savings represent half of the estimated total.
 2. The non-represented salary increase is not represented in this table because the savings associated with the budgeted 4% pension contribution are not included either since the pension contribution is already in effect. No salary increase is assumed for represented staff as this would require separate legislative action.
 3. The budgeted represented pension contribution is equivalent to 2.5% of salary in 2011 and 4.0% of salary in 2012.
 4. The unbudgeted represented and non-represented pension contribution is equivalent to 3.5% of salary in 2011 and 2% in 2012.
 5. All pension contribution figures are calculated using salary data by bargaining unit provided by the Controller's Office
 6. As the step freeze for DC48 is assumed to be implemented mid-year in 2011 and will be in place for 366 days, half of the savings will be realized in 2011 and half in 2012.
 7. No inflationary factors have been included for 2012
 8. No revenue offsets have been calculated. While revenue reductions typically represents 22% of total expenditure reductions, due to the differing participation by union, this amount will fluctuate and has not been calculated.

Department/Prepared By John Ruggini

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 9, 2011

TO: Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM: Mark A. Grady, Deputy Corporation Counsel,
Chair, Employee Benefits Workgroup

SUBJECT: Informational Report Regarding Short Term Disability Policies

At the request of the Committee, the Employee Benefits Workgroup was tasked with reviewing Milwaukee County's short term disability policies, in conjunction with sick leave policies.

Short-term disability insurance pays a percentage of an employee's salary if they become temporarily disabled, meaning that they are unable to work for a short period of time. The benefits would begin in cases of sickness or injury (excluding on-the-job injuries, which are covered by workers compensation insurance). A typical short-term disability insurance policy provides an employee with 40 to 65 percent of their base salary. The National Association of Insurance Commissioners estimates that short-term disability benefits generally last between three and six months. Most policies have a "cap" on the monthly benefit payment and a limit on the amount of time that the employee could receive benefits, in some cases two years.

Milwaukee County employees currently accrue 12 sick days per year. Employees may use those sick days for acute illness, or accumulate a bank of hours for future use. Banked hours can be used to cover an extended illness. An alternative to the current sick leave policy might be a County-sponsored short-term disability program. Such programs often have, but are not required to have, a full or partial subsidy by the employer. County employees currently have access to short term disability coverage at their own cost.

At the County Executive's request, DAS obtained information regarding sick policies of other public employers to benchmark current County policy. The workgroup reviewed this information. The amount of sick leave accrued by County employees per year is consistent with other municipalities, but is notably less than the State and Federal governments, the City of Madison, and City of Milwaukee. With respect to the accrual of sick allowance, roughly half of the governments, including Milwaukee County, place no limit on the amount of sick time that can be accumulated over the course of an employee's career.

On the other hand, other public employers that were reviewed do not offer an employer-subsidized group short term disability plan. The workgroup believes that public employers do not offer this benefit because it is more cost effective for employers to utilize a sick leave policy similar to the County's; that is, it is more cost effective to grant sick leave and allow that leave to accrue over time so that an employee eventually accumulates sufficient sick leave to cover intermediate length health-related absences.

Any employer-subsidized group short term disability plan would result in an increase in benefit costs for the County. This is especially true if the County pursues a change in current sick leave policy that would limit the accrual of sick leave and limit, or eliminate entirely, any retirement payout or credit for unused sick leave. The County Executive and various County Board Supervisors have made proposals along these lines.

In the current fiscal environment, the Workgroup does not recommend that the County pursue any benefit increases in the short term disability area. However, the workgroup does recommend a continued review of sick leave accrual and payout policies. The workgroup intends to continue discussion with the County Executive and the County Board on these issues and expects to present a recommendation to the County Board in the October cycle that will address limiting the accrual of sick allowance and limiting, or eliminating, the payout or use at the time of retirement of future accruals of sick allowance.

cc: Carol Mueller
Jodi Mapp
George Aldrich
EBWG members

-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION

DATE : September 8, 2011
TO : Supervisor Lee Holloway, Chairman, Board of Supervisors
FROM : The Department of Administrative Services, Corporation Counsel, Office of the Personnel Review Board, and Department of Labor Relations
SUBJECT: Request to amend Milwaukee County General Ordinance (MCGO) 17.207 Grievance Procedure

Issue

The passage of 2011 Wisconsin Act 10 (Budget Repair Bill) and Wisconsin Act 32 (Budget Bill), have made all issues except for base wages a prohibited subject of collective bargaining. Specifically, the County had negotiated, and the labor contracts had contained, a procedure for handling grievances. The contract with American Federation of State, County and Municipal Employees (AFSCME DC-48), had contained a provision for a grievance procedure, which the County is continuing to follow, until a new grievance procedure is proposed to the County Board and County Executive.

With the elimination of negotiations with labor unions regarding grievance procedures, the Budget Repair Bill required local units of government to establish a Civil Service System and/or a grievance procedure system. The County currently has a Civil Service System and an ordinance on grievances.

As currently written, Milwaukee County General Ordinance (MCGO) 17.207 only contains grievance procedures specific to non-represented employees. The ordinance, as written, covers issues concerning the application of wage schedules, provisions relating to hours of work and working conditions, and discrimination based on race, sex, age, nationality, political or religious affiliation or handicap.

The attached resolution proposes to make changes to MCGO 17.207 so that it covers both represented and non-represented employees. No changes are proposed to be made to Civil Service Rules, since it already covers both represented and non-represented employees. A grievance procedure is intended to resolve claims or disputes between parties regarding matters related to Civil Service Rules or Chapter 17 of County Ordinances.

A grievance procedure is not intended to be used to appeal disciplinary suspensions or oral or written reprimands. Under Civil Service Rules, represented and non-represented employees have the right to a hearing with the Personnel Review Board (PRB) for any suspension of more than ten days, for a second suspension (of any length) within six months, or for a termination or demotion. No process exists to appeal a suspension of ten days or less for a non-represented employee. For represented employees, current contract language allows for the appeal of suspensions of less than ten days to an arbitrator. The County will not propose any procedure regarding suspensions of ten days or less.

Background:

Currently, Milwaukee County follows different procedures for grievances depending on the representation of the employee. Included below, are an explanation of the current grievance procedures for non-represented employees, and for certain represented employees.

Non-represented Employees:

MCGO 17.207 currently provides a procedure specifically for:

- Non-represented employees to address grievances concerning the application of wage schedules and provisions relating to hours of work and working conditions; and
- Non-represented employees, students of county-operated or affiliated training programs, or county employees in the unclassified service to address grievances concerning discrimination based on race, sex, age, nationality, political or religious affiliation or handicap.

This procedure may not be used to change existing wage schedules, hours of work, working conditions, fringe benefits and position classifications established by ordinances and rules which are matters processed under existing procedures. All final appeals under MCGO 17.207 may be made to the Personnel Review Board (PRB) for decision.

Represented Employees:

Current collective bargaining agreements provide procedures specifically for matters involving the interpretation, application or enforcement of the terms of the agreement in effect. The procedures, similar to the MCGO 17.207, may not be used to change existing wage schedules, hours of work, working conditions, fringe benefits and position classifications established by ordinances and rules which are matters processed under existing procedures. All appeals under the collective bargaining agreement's procedures may be made to an arbitrator.

Recommendation

It is recommended that MCGO 17.207 be amended as follows:

- Adopt language to include ***any employee in the classified service that does not have a grievance process under a current collective bargaining agreement.*** This will create a process for all employees in the classified service while also allowing for grievance procedures in effect under current collective bargaining agreements (e.g. deputy sheriffs and firefighters). Upon the effective date of 2011 Wisconsin Act 10 grievance procedures became a prohibited subject of bargaining. The following unions would be affected by this as follows:

AFSME District Council 48	Upon adoption
Association of Milwaukee County Attorneys	January 1, 2012
Milwaukee County Firefighters Association	Not applicable
International Association of Machinists and Aerospace Workers	January 1, 2012
Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO	January 1, 2013
Milwaukee Deputy Sheriffs' Association	Not applicable
TEAMCO	January 1, 2012
Milwaukee Building Construction and Trades Council	January 1, 2012

- Limit the applicability of the grievance process to only employees in the classified service. Employees in the unclassified service would no longer have rights to grieve matters relating to discrimination based on race, sex, age, nationality, political or religious affiliation or handicap, which are covered by applicable federal laws, rules and regulations. Unclassified employees have the right to pursue claims of discrimination with the Equal Employment Opportunity Commission on the basis of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act and/or the Age Discrimination in Employment Act. Claims of discrimination may also be filed with the State of Wisconsin, Department of Workforce Development, Equal Rights Division based upon the Wisconsin Fair Employment Act, secs. 111.31 – 111.395 Stats. This would be the only impact on employees in the unclassified service.
- Limit the subjects to be grieved to only ***controversies relating to workplace safety, matters involving the interpretation, application, or enforcement of the language found in Civil Service Rules, and in Chapter 17 of the Milwaukee County General Ordinances, where there are no provisions to address such issues.*** Employees governed by this ordinance would not have the right to grieve issues concerning the application of wage schedules and provisions relating to hours of work and working conditions. Pursuant to 2011 Wisconsin Act 10, these issues are no longer mandatory subjects of bargaining. Additionally, matters relating to discrimination based on race, sex, age, nationality, political or religious affiliation or handicap are covered by applicable federal and state laws, rules and regulations. Represented employees have the right to pursue claims of discrimination with the Equal Employment Opportunity Commission on the basis of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act and/or the Age Discrimination in Employment Act. Claims of discrimination may also be filed with the State of Wisconsin, Department of Workforce Development, Equal Rights Division based upon the Wisconsin Fair Employment Act, secs. 111.31 – 111.395 Stats.
- Provide clarification that the grievance procedure does not cover disciplinary suspensions and oral and written reprimands. Represented employees that currently have the ability to appeal a suspension of ten days or less to an arbitrator would no longer have that right, since it is not a grievable issue. There is no intent at present, to provide an appeal process for suspensions of less than ten days. Represented employees would continue to have the same rights under Wisconsin State Statutes Chapter 63.10 to appeal any suspension of more than ten days, for a second suspension (of any length) within six months, or for termination or demotion.
- Modify the language to streamline the grievance process from a five step process to a three step process. This change would create a more efficient process for non-represented employees. Represented employees would no longer be able to appeal a decision of the Department of Labor Relations to a permanent arbitrator, but would be able to appeal a grievance decision to the Personnel Review Board. As is currently the case, any employee not satisfied with the decision of the Personnel Review Board would be entitled to pursue other actions against the County through their own means. The modified grievance process would consist of three steps:
 - 1st step: Grievance filed with supervisor or designated individual
 - 2nd step: Grievance elevated to designated grievance hearing officer
 - 3rd step: Grievance elevated to Personnel Review Board

Due to the extensive changes described above, it is recommended that MCGO 17.207 be struck in its entirety and replaced with the language in the attached resolution.

cc: Chris Abele, County Executive
Joe Sanfelippo, Chairman, Personnel Committee
George Aldrich, Chief of Staff, County Executive
Terrence Cooley, Chief of Staff, County Board
Jerry Heer, County Auditor
Steve Cady, County Board Fiscal and Budget Analyst
Rick Ceschin, County Board Analyst
Scott Manske, Controller
Fred Bau, Labor Relations Specialist
Candace Richards, Interim Human Resources Director
Matthew Hanchek, Interim Director Employee Benefits
Sue Drummond, Payroll Manager
Veronica Robinson, Ethics Board Executive Director
Mary Ann Grimes, Attorney at Law

3
4 (ITEM *) To amend Section 17.207 of the Milwaukee County Code of General
5 Ordinances as it pertains to grievance procedures for classified and unclassified
6 employees by recommending adoption of the following:

7
8 **A RESOLUTION**

9 To amend Section 17.207 of the Milwaukee County Code of General Ordinances
10 as it pertains to grievance procedures for classified and unclassified employees.

11 WHEREAS, The passage of 2011 Wisconsin Act 10 and Wisconsin Act 32 have
12 made all issues except for base wages a prohibited subject of collective bargaining; and

13 WHEREAS, Specifically, the County had negotiated, and the labor contracts had
14 contained, a procedure for handling grievances; and

15 WHEREAS, The contract with American Federation of State, County and
16 Municipal Employees (AFSCME DC-48), had contained a provision for a grievance
17 procedure, which the County is continuing to follow, until a new grievance procedure is
18 proposed to the County Board and County Executive; and

19 WHEREAS, With the elimination of negotiations with labor unions regarding
20 grievance procedures, the 2011 Wisconsin Act 10 required local units of government to
21 establish a Civil Service System and/or a grievance procedure system; and

22 WHEREAS, The County currently has a Civil Service System;

23 WHEREAS, The County currently has an ordinance on grievances which only
24 contains procedures specific to non-represented employees;

25 NOW THEREFORE

26 BE IT RESOLVED, Milwaukee County will no longer follow the grievance
27 procedures outlined in Section 4.02 of the 2007-2008 signed collective bargaining
28 agreement with the American Federation of State, County and Municipal Employees
29 District Council 48 upon adoption of this resolution; and

30
31 BE IT FURTHER RESOLVED, The Milwaukee County Board of Supervisors
32 hereby amends Section 17.207 of the Milwaukee County Code of General Ordinances
33 by adopting the following:

34 **AN ORDINANCE**

35 The County Board of Supervisors of the County of Milwaukee does ordain as
36 follows:

37 **SECTION 1.** Section 17.207 of the General Ordinances of Milwaukee County is struck
38 in its entirety and replaced with the following language:

39 **17.207. Grievance procedure.**

- 40 ~~1. Application; exceptions. A grievance shall mean any controversy which exists as a~~
41 ~~result of an unsatisfactory adjustment or failure to adjust a claim or dispute by a~~
42 ~~nonrepresented employe or group of nonrepresented employes concerning the~~
43 ~~application of wage schedules and provisions relating to hours of work and working~~
44 ~~conditions and nonrepresented employes as well as students of county operated or~~
45 ~~affiliated training programs or county employes in the unclassified service~~
46 ~~concerning discrimination based on race, sex, age, nationality, political or religious~~
47 ~~affiliation or handicap. The grievance procedure shall not be used to change~~
48 ~~existing wage schedules, hours of work, working conditions, fringe benefits and~~
49 ~~position classifications established by ordinances and rules which are matters~~
50 ~~processed under existing procedures.~~

- 51 ~~2. Representatives. An employe may choose to be represented at any step in the~~
52 ~~procedure by representatives (not to exceed three (3)) of his/her choice, except that~~
53 ~~as to the first step, the choice shall be limited to employe representatives.~~

- 54 ~~3. Time of handling. Whenever possible, grievances will be handled during the~~
55 ~~regularly scheduled working hours of the parties involved.~~

- 56 ~~4. Time limitations. If it is impossible to comply with the time limits specified in the~~
57 ~~procedure because of work schedules, illness, vacations, etc., these limits may be~~
58 ~~extended by mutual consent in writing. If one (1) of the parties requests an~~
59 ~~extension not mutually acceptable, the request with the reason therefor, may be~~
60 ~~submitted to the personnel review board. After consideration and within eight (8)~~
61 ~~working hours after receipt of the request, they will notify both parties in writing of~~
62 ~~their decision to grant or deny the extension. If an extension is not requested within~~
63 ~~the time limits herein provided, or a reply to the grievance is not received within time~~
64 ~~limits provided herein, the grievance may be appealed directly to the next step of~~
65 ~~the procedure.~~

- 66 ~~5. Settlement of grievances. Any grievance shall be considered settled at the~~
67 ~~completion of any step in the procedure, if all parties concerned are mutually~~
68 ~~satisfied. Dissatisfaction is implied in recourse from one step to the next.~~

- 69 ~~6. Forms. There are three (3) separate forms used in processing a grievance: the~~
70 ~~grievance initiation form, the grievance disposition form and the grievance appeal~~
71 ~~form. All forms are to be prepared in quadruplicate except at the county institutions,~~
72 ~~park commission, and department of public works, where five (5) copies are to be~~

73 prepared. Two (2) copies are to be retained by the person originating the form: one
74 (1) copy will be sent to the other person involved in the procedure at that step, for
75 example, immediate supervisor, and one (1) copy will be forwarded to the personnel
76 review board. At the county institutions, one (1) copy will be forwarded to the office
77 of the director; in the park commission, one (1) copy will be forwarded to the office
78 of the general manager; and public works, one (1) copy will be forwarded to the
79 office of the director. The forms are available in the office of the personnel review
80 board and in any county department or institution. Each department or institution
81 shall have forms readily available to all employees.

82 ~~7. Steps in the procedure.~~

83 ~~(a) Step 1.~~

- 84 ~~1. The employe alone or with his/her representative shall explain the~~
85 ~~grievance verbally to his/her immediate supervisor designated to respond~~
86 ~~to employe grievances.~~
- 87 ~~2. The supervisor designated in paragraph 1 shall within three (3) working~~
88 ~~days verbally inform the employe of his/her decision on the grievance~~
89 ~~presented.~~

90 ~~(b) Step 2.~~

- 91 ~~1. If the grievance is not settled at the first step, the employe or his/her~~
92 ~~representative shall prepare the grievance in writing on the grievance~~
93 ~~initiation form and shall present such form to the immediate supervisor~~
94 ~~designated in step 1 to initial as confirmation of his/her verbal response.~~
- 95 ~~2. The employe or his/her representative after receiving confirmation shall~~
96 ~~forward the grievance to his/her appointing authority or to the~~
97 ~~person designated by him/her to receive grievances within ten (10) working~~
98 ~~days of the verbal decision. Failure of the supervisor to provide~~
99 ~~confirmation shall not impede the timeliness of the appeal.~~
- 100 ~~3. The person designated in step 2, paragraph 2 will schedule a hearing with~~
101 ~~the person concerned and within ten (10) working days from date of~~
102 ~~service of the grievance initiation form, the hearing officer shall inform the~~
103 ~~aggrieved employe in writing of his/her decision.~~
- 104 ~~4. Those grievances which would become moot if unanswered before the~~
105 ~~expiration of the established time limits will be answered as soon as~~
106 ~~possible after the conclusion of the hearing.~~
- 107 ~~5. The second step of the grievance procedure may be waived by mutual~~
108 ~~consent of the employe and the department. If the grievance is not~~
109 ~~resolved at step 2 as provided, the employe or the department may~~

110 ~~appeal such grievance within ten (10) working days to step 3 if applicable~~
111 ~~or to step 5.~~

112 ~~(c) Step 3.~~

113 ~~1. (Applicable only to department of public works, department of parks,~~
114 ~~recreation and culture, and department of human services.) If the~~
115 ~~grievance is not settled at the second step, the employe and/or his/her~~
116 ~~representative will write up the grievance appeal form and the employe~~
117 ~~shall present it to the employe's division or district head in his/her~~
118 ~~department, or in the case of the department of human services, to the~~
119 ~~employe's institution or department head or his/her duly designated~~
120 ~~representative, within five (5) days after receiving the written decision as~~
121 ~~provided in step 2.~~

122 ~~2. The person designated in subsection (c)1 will review the record and~~
123 ~~interview the persons concerned and inform the aggrieved employe in~~
124 ~~writing of his/her decision within five (5) days after the grievance appeal~~
125 ~~form.~~

126 ~~(d) Step 4.~~

127 ~~1. If the grievance is not settled at the second step or at the third step in the~~
128 ~~department of public works, the department of parks, recreation and~~
129 ~~culture or the department of human services, the employe and/or his/her~~
130 ~~representative will write up the grievance appeal form and the employe~~
131 ~~shall serve it to the employe's department head or his/her duly designated~~
132 ~~representative, or in the case of the department of human services, the~~
133 ~~person designated by the director of the department of human services to~~
134 ~~receive grievance appeals, within five (5) days after receiving the written~~
135 ~~decision as provided in step 2 or 3.~~

136 ~~2. The person designated in subsection (d)1 will review the record and~~
137 ~~interview the persons concerned and inform the aggrieved employe in~~
138 ~~writing of his/her decision within five (5) days after receiving the grievance~~
139 ~~appeal form.~~

140 ~~(e) Step 5.~~

141 ~~1. If the grievance is not settled at the second step or if applicable the fourth~~
142 ~~step, the employe and/or his/her representative may appeal to the~~
143 ~~personnel review board, within five (5) working days after receiving the~~
144 ~~written decision provided in step 2 or if applicable step 4. The board will~~
145 ~~review the record of the case, hold a hearing thereon as soon as practical,~~
146 ~~notify all interested persons of the time and place of the hearing, and~~
147 ~~notify all interested persons of its decision in writing within ten (10) days~~
148 ~~after the completion of the hearing.~~

149 **Section 17.207. Grievance Procedure.**

- 150 1. Application; exceptions. A grievance shall mean any controversy which exists
151 as a result of an unsatisfactory adjustment or failure to adjust a claim or dispute
152 by an employee in the classified service regarding workplace safety, matters
153 involving the interpretation, application, or enforcement of the language found
154 in the Milwaukee County Civil Service Rules, and Chapter 17 of the General
155 Ordinances of Milwaukee County, where there are no provisions to address
156 such issues. The grievance procedure shall not be used to appeal disciplinary
157 suspensions or oral or written reprimands, or to change existing wage
158 schedules, hours of work, working conditions, fringe benefits and position
159 classifications established by ordinances and rules which are matters
160 processed under existing procedures. This section shall not apply to classified
161 employees who have a grievance procedure under a current collective
162 bargaining agreement.
- 163 2. Representative. An employee may choose to be represented at Step 2 and/or
164 Step 3 of this procedure by a representative of his/her choice.
- 165 3. Time of handling. Whenever possible, grievances will be handled during the
166 regularly scheduled working hours of the parties involved.
- 167 4. Time limitations. If it is impossible to comply with the time limits specified in the
168 procedure because of work schedules, illness, vacations, etc., these limits may
169 be extended by mutual consent in writing. If one (1) of the parties requests an
170 extension not mutually acceptable, the request together with the reason for the
171 extension, may be submitted to the Personnel Review Board for consideration
172 of a request to extend time limits only. After consideration and within ten (10)
173 workdays after receipt of the request, the Personnel Review Board will notify
174 both parties in writing of their decision to grant or deny an extension. If an
175 extension is not requested within the time limits herein provided, or a
176 disposition of the grievance is not received within the time limits provided
177 herein, the grievance may be appealed directly to the next step of the
178 procedure.
- 179 5. Settlement of grievances. Any grievance shall be considered settled at the
180 completion of any step in the procedure if all parties concerned are mutually
181 satisfied. Dissatisfaction is implied in recourse from one step to the next.
- 182 6. Forms. There are three (3) separate forms used in processing a grievance: the
183 Grievance Initiation Form, the Grievance Disposition Form, and the Grievance
184 Appeal Form. All forms are to be prepared in triplicate. The original (1) copy of
185 the Grievance Initiation Form shall be provided to the designated hearing
186 officer in the employee's department. One (1) copy shall be forwarded to the
187 Personnel Review Board, and the employee originating the Grievance Initiation
188 Form shall retain one (1) copy. The Personnel Review Board and all
189 departments shall maintain a supply of the Grievance Initiation Form, the

190 Grievance Disposition Form, and the Grievance Appeal Form. In addition, the
191 forms shall be made available on line.

192 7. Steps in the procedure. Time is of the essence with respect to the initiation of
193 grievances and the advancement of a grievance from one step to another.
194 Failure of the grievant to adhere to the time limits expressed herein shall bar
195 the grievance from further consideration.

196 a. Step 1.

197 1. The employee shall explain the grievance verbally to his/her
198 immediate supervisor or the department's human resources
199 employee designated to respond to employee grievances. Step 1
200 must occur within ten (10) working days of the event giving rise to
201 the initiation of the grievance.

202 2. The supervisor/human resources employee designated in
203 paragraph 1. shall, within ten (10) workdays, verbally inform the
204 employee of his/her decision regarding the grievance presented.

205 b. Step 2.

206 1. If the grievance is not settled at Step 1, the employee or his/her
207 representative shall prepare the grievance in writing on the
208 Grievance Initiation Form and shall, within ten (10) workdays of
209 the verbal decision, present such Form to the designated
210 grievance hearing officer in the employee's department.

211 2. The grievance hearing officer will schedule a hearing with the
212 employee and the supervisor/human resources employee within
213 ten (10) workdays from date of receipt of the Grievance Initiation
214 Form. The grievance hearing officer shall provide a written
215 Grievance Disposition Form to the grievant and the
216 supervisor/human resources employee no later than 20 (twenty)
217 workdays after the date of the hearing.

218 3. Step 2 of the grievance procedure may be waived by mutual
219 consent of the grievant and the grievance hearing officer to Step
220 3. If the grievance is not resolved at Step 2 as provided, the
221 grievant or the hearing officer may file a Grievance Appeal Form
222 within twenty (20) workdays after receipt of the Step 2 disposition
223 or after a waiver mutually agreeing to forward the grievance to
224 Step 3 before the Personnel Review Board.

225 c. Step 3.

226 1. When a Grievance Appeal Form is filed with the Personnel
227 Review Board within twenty (20) workdays from the date of the

228 Step 2 disposition or waiver of Step 2, the Personnel Review
229 Board shall review the record and/or may interview the employee
230 and others and may hold a hearing if requested by the grievant
231 after which the Personnel Review Board may uphold, overturn, or
232 modify the disposition appealed from Step 2. The Personnel
233 Review Board shall inform the grievant and the Step 2 hearing
234 officer of its decision in writing within thirty (30) workdays after the
235 Grievance Appeal Form is received. The decision by the
236 Personnel Review Board is final.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 09/08/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to amend Milwaukee County General Ordinance (MCGO) 17.207
Grievance Procedure

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact

<input checked="" type="checkbox"/> Existing Staff Time Required

<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget

<input type="checkbox"/> Decrease Operating Expenditures

<input type="checkbox"/> Increase Operating Revenues

<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures

<input type="checkbox"/> Decrease Capital Expenditures

<input type="checkbox"/> Increase Capital Revenues

<input type="checkbox"/> Decrease Capital Revenues

<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue		
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department of Administrative Services (DAS) is requesting approval of the attached resolution to amend Milwaukee County General Ordinance (MCGO) 17.207 Grievance Procedure.

B./C. There are no anticipated fiscal costs associated with this procedural change. It is estimated that any costs associated with grievances filed and heard before the Personnel Review Board (PRB) will fall within current appropriations. DAS will work with PRB staff to monitor the number of grievances filed and the level of work generated due to the new procedure.

D. The assumptions used in this fiscal note are that the volume of work generated through this procedural change will be handled within the current capacity of the PRB and PRB staff resulting in no fiscal impact.

Department/Prepared By Cynthia (C.J.) Pahl
Authorized Signature 
Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

CHRIS ABELE, MILWAUKEE COUNTY EXECUTIVE
SUE BLACK, DIRECTOR OF PARKS, RECREATION AND CULTURE

Date: September 8, 2011

To: Chairman Lee Holloway, Milwaukee County Board of Supervisors

From: Sue Black, Director, Department of Parks, Recreation and Culture

Subject: Request to Double Fill 1.0 FTE Ironworker Supervisor Position (Title Code 26370) (5104)

POLICY

Pursuant to Milwaukee County Ordinance 17.14(1), the Department of Parks, Recreation and Culture (DPRC) respectfully requests authority to double fill the position of Ironworker Supervisor for approximately 6 weeks, beginning mid-November 2011.

BACKGROUND

DPRC has 2.0 FTE Ironworker positions (one vacant) and 1.0 FTE Ironworker Supervisor position. Due to the incumbents' planned retirement January 1, 2012, all of the Ironworker positions will be vacant. Authority to double fill the Ironworker Supervisor position is necessary in order to properly train the successor and to ensure an efficient transition. DPRC expects to hire the Ironworker Supervisor in mid-November.

DPRC's Ironworker Supervisor performs the essential function of supervising the welding shop and its employees. The Ironworker Supervisor prioritizes the welding shop's work, orders parts and equipment, inspects completed work performed by both DPRC staff and outside contractors, and works with DPRC upper management to assist in labor relations between management and shop employees.

DPRC estimates that double filling the Ironworker Supervisor position for 6 weeks will cost approximately \$1,918.50 per week, assuming the replacement is hired at position number 1 of pay range 5104. DPRC will absorb this expenditure within its existing 2011 personnel budget.

RECOMMENDATION

The Parks Director respectfully requests authorization to double fill 1.0 FTE Ironworker Supervisor position for approximately 6 weeks during 2011.

Prepared by: Paul Kuglitsch, Contract Services Officer/DPRC

Recommended by:

Approved by:

James Keegan, Chief of Administration and
External Affairs

Sue Black, Parks Director

cc: County Executive Chris Abele
George Aldrich, Chief of Staff, County Executive's Office
Terrence Cooley, Chief of Staff, County Board
Supv. Joe Sanfelippo, Chairman, Personnel Committee
Supv. Mark Borkowski, Vice-Chair, Personnel Committee
Sarah Jankowski, Fiscal Mgt. Analyst, Admin & Fiscal Affairs/DAS
Jodi Mapp, Personnel Committee Clerk
Rick Ceschin, Research Analyst, County Board

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4 (ITEM NO.) From the Director, Department of Parks, Recreation and Culture, requesting
5 authorization to double fill the position of Ironworker Supervisor (Title Code 26370) (Pay
6 Range 5104), for approximately 6 weeks, beginning mid-November, 2011, by
7 recommending adoption of the following:
8

9 **A RESOLUTION**

10
11 WHEREAS, Milwaukee County Ordinance 17.14(1) provides that a department head
12 may request approval from the Milwaukee County Board of Supervisors to actively employ
13 more than one employee in a full-time authorized position for a specified period of time;
14 and
15

16 WHEREAS, the Director, Department of Parks, Recreation and Culture, has
17 requested the authority under that ordinance to double fill the position of Ironworker
18 Supervisor for approximately 6 weeks in 2011; and
19

20 WHEREAS, the Ironworker Supervisor is vital to DPRC operations as the only
21 Ironworker Supervisor in the department; and
22

23 WHEREAS, the incumbent Ironworker Supervisor, along with the department's only
24 FTE Ironworker, is planning on retiring January 1, 2012; and
25

26 WHEREAS, the incumbent Ironworker Supervisor must properly train the successor
27 to ensure an efficient transition; and
28

29 WHEREAS, it is estimated that double filling this position for 6 weeks will cost
30 approximately \$1,918.50 a week; now, therefore,
31

32 BE IT RESOLVED, that the Director, Department of Parks, Recreation and Culture is
33 hereby authorized pursuant to Milwaukee County Ordinance 74.14(1) to double fill the
34 position of Ironworker Supervisor (Title Code 26370) (Pay Range 5104) for approximately 6
35 weeks in 2011.
36

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 8, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Double Fill 1.0FTE Ironworker Supervisor Position in the Department of Parks, Recreation and Culture.

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input checked="" type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget

<input type="checkbox"/> Decrease Operating Expenditures

<input type="checkbox"/> Increase Operating Revenues

<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures

<input type="checkbox"/> Decrease Capital Expenditures

<input type="checkbox"/> Increase Capital Revenues

<input type="checkbox"/> Decrease Capital Revenues

<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	11,511	0
	Revenue	0	0
	Net Cost	\$11,511	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department is requesting permission to double fill 1.0 FTE Ironworker Supervisor position, title code 26370, pay range 5104, position number 1, for approximately 6 weeks at the end of 2011.

B. The estimated total cost of this double fill, assuming the replacement is brought in at position number 1 of pay range 5104 (47.96/hour) is \$11,511 for 6 weeks. This includes \$7,356 in salary, \$3,739 in fringe benefits and \$416 in social security.

C. There are no budgetary impacts associated with the proposed action in the current fiscal year, as the increased cost will be absorbed within the Department's operating budget.

D. Cost calculations for the double filled position are based on the assumption the replacement will be brought in at position 1 pay range 5104 for approximately 6 weeks.

Department/Prepared By Sheree Marlow, Budget Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

CHRIS ABELE, MILWAUKEE COUNTY EXECUTIVE
SUE BLACK, DIRECTOR OF PARKS, RECREATION AND CULTURE

Date: September 19, 2011

To: Chairman Lee Holloway, Milwaukee County Board of Supervisors

From: Sue Black, Director, Department of Parks, Recreation and Culture

Subject: Request to Double Fill 1.0 FTE Electrical Mechanic Supervisor Position (Title Code 24000) (5412)

POLICY

Pursuant to Milwaukee County Ordinance 17.14(1), the Department of Parks, Recreation and Culture (DPRC) respectfully requests authority to double fill the position of Electrical Mechanic Supervisor for approximately 6 weeks, beginning mid-November 2011.

BACKGROUND

DPRC has 1.0 FTE Electrical Mechanic Supervisor position. Due to the incumbent's planned retirement January 1, 2012, this position will be vacant. Authority to double fill the Electrical Mechanic Supervisor position is necessary in order to properly train the successor and to ensure an efficient transition. DPRC expects to hire the Electrical Mechanic Supervisor in mid-November.

DPRC's Electrical Mechanic Supervisor performs the essential function of supervising the electrical shop, which is the busiest shop in DPRC's Trades Division overseeing approximately 2000 work orders per year. The Electrical Mechanic Supervisor prioritizes the electrical shop's work, orders parts and equipment, inspects completed work performed by both DPRC staff and outside contractors, and works with DPRC upper management to assist in labor relations between management and shop employees. The position also coordinates major DPRC constructions projects and special events with electrical engineers and program managers.

DPRC estimates that double filling the Electrical Mechanic Supervisor position for 6 weeks will cost approximately \$2,057.17 per week, assuming the replacement is hired at position number 1 of pay range 5412. DPRC will absorb this expenditure within its existing 2011 personnel budget.

RECOMMENDATION

The Parks Director respectfully requests authorization to double fill 1.0 FTE Electrical Mechanic Supervisor position for approximately 6 weeks during 2011.

Prepared by: Paul Kuglitsch, Contract Services Officer/DPRC

Recommended by:

Approved by:

James Keegan, Chief of Administration and
External Affairs

Sue Black, Parks Director

cc: County Executive Chris Abele
George Aldrich, Chief of Staff, County Executive's Office
Terrence Cooley, Chief of Staff, County Board
Supv. Joe Sanfelippo, Chairman, Personnel Committee
Supv. Mark Borkowski, Vice-Chair, Personnel Committee
Sarah Jankowski, Fiscal Mgt. Analyst, Admin & Fiscal Affairs/DAS
Jodi Mapp, Personnel Committee Clerk
Rick Ceschin, Research Analyst, County Board

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4 (ITEM NO.) From the Director, Department of Parks, Recreation and Culture, requesting
5 authorization to double fill the position of Electrical Mechanic Supervisor (Title Code
6 24000) (Pay Range 5412), for approximately 6 weeks, beginning mid-November, 2011, by
7 recommending adoption of the following:
8

9 **A RESOLUTION**

10
11 WHEREAS, Milwaukee County Ordinance 17.14(1) provides that a department head
12 may request approval from the Milwaukee County Board of Supervisors to actively employ
13 more than one employee in a full-time authorized position for a specified period of time;
14 and
15

16 WHEREAS, the Director, Department of Parks, Recreation and Culture, has
17 requested the authority under that ordinance to double fill the position of Electrical
18 Mechanic Supervisor for approximately 6 weeks in 2011; and
19

20 WHEREAS, the Electrical Mechanic Supervisor is vital to DPRC operations as the
21 only Electrical Mechanic Supervisor in the department; and
22

23 WHEREAS, the incumbent Electrical Mechanic Supervisor is planning on retiring
24 January 1, 2012; and
25

26 WHEREAS, the incumbent Electrical Mechanic Supervisor must properly train the
27 successor to ensure an efficient transition; and
28

29 WHEREAS, it is estimated that double filling this position for 6 weeks will cost
30 approximately \$2,057.17 a week; now, therefore,
31

32 BE IT RESOLVED, that the Director, Department of Parks, Recreation and Culture is
33 hereby authorized pursuant to Milwaukee County Ordinance 74.14(1) to double fill the
34 position of Electrical Mechanic Supervisor (Title Code 24000) (Pay Range 5412) for
35 approximately 6 weeks in 2011.
36

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 8, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Double Fill 1.0FTE Electrical Mechanic Supervisor Position in the Department of Parks, Recreation and Culture.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	12,343	0
	Revenue	0	0
	Net Cost	\$12,343	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department is requesting permission to double fill 1.0 FTE Electrical Mechanic Supervisor position, title code 24000, pay range 5412, position number 1, for approximately 6 weeks at the end of 2011.

B. The estimated total cost of this double fill, assuming the replacement is brought in at position number 1 of pay range 5412 (51.43hour) is \$12,343 for 6 weeks. This includes \$8,001 in salary, \$3,890 in fringe benefits and \$452 in social security.

C. There are no budgetary impacts associated with the proposed action in the current fiscal year, as the increased cost will be absorbed within the Department's operating budget.

D. Cost calculations for the double filled position are based on the assumption the replacement will be brought in at position 1 pay range 5412 for approximately 6 weeks.

Department/Prepared By Sheree Marlow, Budget Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

Date: September 7, 2011
To: Supervisor Joe Sanfelippo, Chair, Committee on Personnel
From: Frederick J. Baul,  Labor Relations Specialist
RE: Informational Report for September 23, 2011 Personnel Committee Meeting

Attached is an informational report listing all collateral agreements that have been signed and implemented from June 08, 2011 through September 7, 2011.

The collateral agreement report is provided in accordance with the provisions of Chapter 80.04 of the General Ordinances of Milwaukee County and may be included on the agenda of the September 23, 2011 Personnel Committee Meeting for informational purposes only.

cc: Pamela Bryant, Interim Fiscal & Budget Administrator
Richard Ceschin, County Board Staff
Jodi Nepp, Personnel Committee Clerk
Personnel September 23, 2011 Committee

Collateral Agreements Report
Personnel Committee Meeting
September 23, 2011

In accordance with the provisions of 80.04 of the County General Ordinances, and their respective labor agreements, the Director of Labor Relations is reporting the following collateral agreements.

There were no collateral agreements signed since the last report was created

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: September 15, 2011

TO: Supervisor Peggy Romo West, Chair – Health & Human Needs Committee
Supervisor Joe Sanfellipo, Chair – Personnel Committee

FROM: Geri Lyday, Interim Director, Department of Health and Human Services
Candace Richards, Interim Director, DAS-Human Resources

SUBJECT: **From the Interim Director, Department of Health & Human Services and the Interim Director, Department of Human Resources submitting an informational report regarding the transition of the Department of Health Services (DHS) employees and the Department of Children and Families Services (DCF) employees to the State**

Issue

DHHS and DAS-HR are submitting a joint informational report requested by the Chairperson of the Health and Human Needs Committee to provide an update on the conversion of Milwaukee County Income Maintenance and Child Care employees to State employment.

Background

In January 2009, the State Departments of Health Services (DHS) and Children and Families (DCF) assumed control of the Income Maintenance (IM) and Child Care programs from Milwaukee County as authorized by Wisconsin Acts 15 and 28. Under this arrangement, the employees working for the IM or Milwaukee Enrollment Services (MILES) unit and Child Care or Milwaukee Early Care Administration (MECA) unit still maintained their county employment but were supervised by the State.

The 2011-2013 State Budget authorized the conversion of 271.5 full-time equivalents (FTEs) (208 currently filled) assigned to IM effective January 1, 2012. In addition, DCF has requested that the 73 FTEs (61 currently filled) assigned to Child Care be converted to State positions effective October 1, 2011 as part of a passive review process being conducted by the Legislature's Joint Finance Committee in mid-September. This would mean that by January 1, 2012 all of the authorized IM and Child Care positions will be converted to the State.

State DHS submitted the attached letter dated 6/29/11 to county IM employees explaining the changes resulting from the transfer. In addition, county Child Care employees were first notified of the 10/1/11 conversion in the attached DCF letter dated 8/30/11.

Discussion

DHHS and HR have met with Corporation Counsel, Department of Administrative Services, Labor Relations and Employee Benefits to discuss the impacts to employees, particularly

regarding fringe benefits. This group had a general conference call with DCF to address these personnel issues given the October 1 effective date. Based on these discussions, we are developing a fact sheet for employees to guide them on the benefits changes. We hope to release this document soon. However, there are several outstanding questions that still need to be addressed by the State and some issues that will require an opinion by Corporation Counsel on Milwaukee County's position covering areas such as pension and unemployment compensation.

The following bullet points represent the information we have confirmed so far:

Income Maintenance (MILES)

- Employees are competing for positions through an interview process conducted by the State to be completed in mid-September & the county will receive a list of employees who have not been selected by the end of November. Some employees will be retained & others may not be retained.
- Employees hired by the State will be required to resign from their county positions by 12/30/11
- All employees hired by the State will become members of the Wisconsin Retirement System (WRS) except for those who aren't vested
- Per changes in the State Budget, the county must maintain employees who are not currently vested in the Milwaukee County Employee Retirement System (ERS) until they are vested (at five years of service) and the State will reimburse the county the employer contribution. There are currently 57 employees who will not be vested as of December 31, 2011.

Child Care (MECA)

- All county Child Care employees will be appointed to State Child Care positions effective 10/1/11. Unlike the IM staff, there is no competitive interview process for this staff.
- Within 10 days of their appointment to State positions, these employees can opt in writing to remain in the county's ERS and the State will reimburse the county the employer contribution.

Pending Court Action

On September 9, DC-48 filed a restraining order to temporarily halt the transfer of MECA county employees to state service. Although DC 48 no longer has a collective bargaining agreement with the County, DC 48 does have a collective bargaining agreement with the State. This collective bargaining agreement was negotiated with the State at the time the State initially took over IM and Child Care in 2009. Milwaukee County was not included in this negotiation. Depending upon the action of the court, this could affect the date by which the MECA employees transition to State employment. A hearing is scheduled for September 21.

Coggs Lease

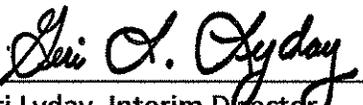
MILES and MECA primarily operate out of the Marcia P. Coggs Center under a lease DHS holds with DHHS. DHHS and DAS met recently with DHS to discuss the State's future plans and were told that DHS will likely remain at the Coggs Center in 2012. However, DHS could not commit to a lease beyond 2012 at this time.

Fiscal Effect

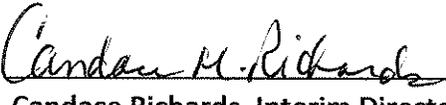
The conversion of the Income Maintenance and Child Care employees to State employment has an overall negative fiscal impact to Milwaukee County. The State currently reimburses the county for the personnel costs including the legacy costs associated with these employees. Once these employees transition to the State, the county will no longer be reimbursed for approximately \$5.9 million (\$4.9 million for IM and \$1 million for Child Care) in legacy costs estimated for 2012. These costs will need to be addressed by the County.

Recommendation

There is no recommendation. This report is informational only.



Geri Lyday, Interim Director
Department of Health and Human Services



Candace Richards, Interim Director
Department of Human Resources

Attachments

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Terrence Cooley, Chief of Staff – County Board
Patrick Farley, Director, Department of Administrative Services
Pamela Bryant, DAS Interim Fiscal and Budget Administrator
Scott Manske, Controller
Antionette Thomas-Bailey, Fiscal and Management Analyst, DAS
Jennifer Collins, County Board Staff
Jodi Mapp, County Board Staff

Date: September 8, 2011

To: Supervisor Joe Sanfelippo, Chairman, Personnel Committee
Supervisor Johnny Thomas, Chairman, Finance & Audit Committee

From: Employee Benefits Workgroup

Subject: Capping the Backdrop Pension Benefit (File No. INF 11-419)

A Deferred Retirement Option Plan (Backdrop) pension option was first effective for Milwaukee County employees in January 2001. In the decade since its adoption, many County employees have retired with significant lump sums in exchange for a reduced monthly pension payment. Concern about the manner in which the benefit was adopted resulted in one criminal conviction, political turmoil, a civil lawsuit against the County's actuary that yielded a \$45 million settlement and ongoing media coverage of the large lump sum payouts. The benefit was eliminated for newly hired non-union employees in 2002 and eventually from all other labor contract by 2007.

The Adopted 2011 Milwaukee County Budget includes the following language in the Wage and Benefit Account (Unit No. 1972):

Capping the Backdrop

The Employee Benefits Workgroup will study what steps must occur in order to cap the Backdrop pension benefit at a future point in time. This includes legal guidance as to how to best proceed and an actuarial study of the impact of such action. The Workgroup shall provide a report to the County Board for consideration at the June 2011 meeting cycle. (Note, the report was not prepared for the June cycle because the Workgroup was focused on State legislative changes that were not in effect at the time the County's 2011 Budget was adopted).

Upon being elected, County Executive Abele directed the Office of Corporation Counsel to obtain an outside legal opinion on Backdrop modifications. The Milwaukee County Board also adopted a resolution in July 2011 authorizing and directing Corporation Counsel to provide the Employee Benefits Workgroup with legal guidance on how to best proceed in order to cap the pension backdrop.

The Workgroup identified five steps that will need to be taken to respond to the budget directive:

1. Obtain legal guidance on the likelihood of successfully modifying or eliminating the Backdrop option.
2. Based on the legal opinion, select the best strategies.
3. Pursue all possible legal options related to the selected strategies.
4. Obtain actuarial calculations as the situation unfolds.
5. Adopt legislative changes to implement the strategies.

As the initial step, the Employee Benefits Workgroup, through the Office of Corporation Counsel, obtained an opinion from outside counsel. The **confidential, attorney-client privileged** opinion will be disseminated separately for discussion in closed session. It describes the legal risks associated with a number of alternative methods of capping the Backdrop. A **confidential, attorney-client privileged** summary of the legal opinion from Corporation Counsel will also be disseminated separately.

Supervisor Joe Sanfelippo, Chairman, Personnel Committee
Supervisor Johnny Thomas, Chairman, Finance & Audit Committee
September 8, 2011
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After dissemination, the County Board and the County Executive will need to provide direction on the preferred approach and authorize the Office of Corporation Counsel to pursue the best strategies with input from the Employee Benefits Workgroup.

An updated actuarial analysis is recommended in order to establish a status of the pension obligations due to the Backdrop and effect due to the legal strategies. Currently there are approximately 3,100 active employees eligible for a Backdrop (of those, fewer than 150 are eligible for an additional benefit enhancement that increases by 25% the Final Average Salary upon which their pension benefits are calculated). For labor contracts in effect through 2011, a January 1, 2012 effective date could be pursued. The date of impact should be after 12/31/12 for FHNP employees. Proposed modification(s) will need to be negotiated with the Firefighters union. The Deputy Sheriffs contract never included the Backdrop.

Legislation including the actuarial analysis and a fiscal note will need to be enacted to make changes to the Backdrop. The revisions will need to be incorporated into the Code of General Ordinances.

In conclusion, the Employee Benefits Workgroup has taken the initial step of obtaining a legal opinion regarding elimination or modification of the Backdrop. In addition, the Workgroup has provided a roadmap for future steps to be taken regarding the Backdrop.

cc: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors
Milwaukee County Board of Supervisors
Chris Abele, Milwaukee County Executive
Pat Farley, Director, Department of Administrative Services
Pamela Bryant, Interim Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Kimberly Walker, Corporation Counsel
Mark Grady, Deputy Corporation Counsel
Matt Hanchek, Interim Director of Employee Benefits, DAS
Marian Ninneman, Interim ERS Manager, DAS
Fred Bau, Labor Relations Specialist, Labor Relations
Steve Cady, County Board Fiscal & Budget Analyst, County Board Staff
Rick Ceschin, Senior Research Analyst, County Board Staff
Doug Jenkins, Deputy Director, Department of Audit
Jerome J. Heer, Director of Audits