

COUNTY EXECUTIVE'S 2008 BUDGET

DEPT: DEPARTMENT OF ADMINISTRATIVE SERVICES – EMPLOYEE BENEFITS

UNIT NO. 1188

FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to Chapters 63.01 to 63.09, 63.11 and 63.13 to 63.17 of the Wisconsin Statutes and Chapter 58 of the Milwaukee County General Ordinances, this division manages and coordinates the details of employee benefits programs, including hospital/surgical/dental care and life insurance plans; and employee services programs dealing with behavioral/medical problems.

The Employee Retirement Services Section administers and maintains the Milwaukee County Retirement System as established by Chapter 201 of the Milwaukee County General Ordinances. It provides for the determination of benefits and payments to all eligible employees or their beneficiaries, and monitors and reconciles all transactions affecting the retirement fund.

BUDGET SUMMARY				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 0	\$ 954,184	\$ 1,142,699	\$ 188,515
Employee Fringe Benefits (EFB) Services	0	559,980	705,575	145,595
Commodities	0	450,000	166,550	(283,450)
Other Charges	0	0	9,090	9,090
Debt & Depreciation	0	0	0	0
Capital Outlay	0	0	0	0
Capital Contra	0	0	0	0
County Service Charges	0	0	236,944	236,944
Abatements	0	0	0	0
Total Expenditures	\$ 0	\$ 1,964,164	\$ 2,260,858	\$ 296,694
Direct Revenue	0	1,097,273	1,263,690	166,417
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 0	\$ 1,097,273	\$ 1,263,690	\$ 166,417
Direct Total Tax Levy	0	866,891	997,168	130,277

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Central Service Allocation	\$ 0	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	0	0	0	0
Distribution Services	0	0	0	0
Telecommunications	0	0	0	0
Record Center	0	0	0	0
Radio	0	0	0	0
Computer Charges	0	0	0	0
Applications Charges	0	0	0	0
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	0	0	0	0
Total Charges	\$ 0	\$ 0	\$ 0	\$ 0
Direct Property Tax Levy	\$ 0	\$ 866,891	\$ 997,168	\$ 130,277
Total Property Tax Levy	\$ 0	\$ 866,891	\$ 997,168	\$ 130,277

** In 2006 and 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the "total" amount of tax levy support for this Department. In 2008, these costs are budgeted within the receiving department to show the tax levy cost in the department.

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PERSONNEL SUMMARY				
	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 0	\$ 954,184	\$ 1,142,699	\$ 188,515
Employee Fringe Benefits (EFB)	\$ 0	\$ 559,980	\$ 705,575	\$ 145,595
Position Equivalent (Funded)*	0.0	15.3	18.8	3.5
% of Gross Wages Funded	N/A	100.0	97.2	(2.8)
Overtime (Dollars)**	\$ 0	\$ 0	\$ 20,137	\$ 20,137
Overtime (Equivalent to Position)	0.0	0.0	0.4	0.4

* For 2006 Actuals, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Social Security & Fringe)
Clerical Specialist (HR) NR	Abolish	1/1.0	ERS	(27,503)
Admin Spec Retirement System	Create	3/3.0	ERS	133,986
Human Resources Analyst 1-Emp	Create	1/1.0	General Benefits	42,027
Health Care Benefits Coordinator	Abolish	1/1.0	General Benefits	(59,703)
Sr Exec Asst Benefits	Create	1/1.0	General Benefits	44,919
Business Manager*	Abolish	1/1.0	General Benefits	(75,403)
Benefits Operations Manager	Create	1/1.0	General Benefits	85,000
Human Resources Intern	Abolish	1/.95	ERS	(22,765)
			Total	\$ 120,558

*Abolish upon vacancy

MISSION

The Division of Employee Benefits manages the fringe benefits program, including health care benefits and the retirement benefits for Milwaukee County employees and retirees.

Pension benefits and provide proper stewardship over the Employee Retirement System.

OBJECTIVES

- Administer health care, retirement and other benefits for County employees and retirees in a fiscally responsible and customer-friendly manner.
- Efficiently implement major benefits information systems improvements, including the Ceridian Benefits System and the Vitech V3 system.
- Develop and implement strategies to reduce the cost of health care provided to employees and retirees without diminishing the quality of care.
- Work cooperatively with the Milwaukee County Pension Board to responsibly administer

DEPARTMENT DESCRIPTION

The division is responsible for, and accountable for, the management of the health care and pension benefits programs for Milwaukee County active employees and retirees. This includes responsibility for all business activities, including contract solicitation, contract awards and monitoring; customer service; and budgeting, accounting and financial analysis. The Director of this division reports to the Director of Administrative Services. The director is charged with responsibility for all aspects of benefits management, including recruitment, management and coordination of staff.

The Director of Employee Benefits also reports on a regular basis to the Employee Health Work Group.

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BUDGET HIGHLIGHTS

- Personal Services without fringe benefits increase \$188,515, from \$954,184 to \$1,142,699. The majority of this increase is due to positions added during 2007 and those added in the 2008 budget.
- The Recommended Budget includes a re-organization initiative developed by the new Director of Employee Benefits that reflects his observations regarding staff operations and that is intended to provide for a more robust and efficient staffing arrangement. Total FTE's increase by 3.5, from 15.3 to 18.8. Six positions (6.0 FTE) are created (costs include salary, social security and active portions of fringe benefits): 3.0 FTE Administrative Specialists Retirement System positions - \$202,691, 1.0 FTE Human Resources Analyst 1 – Employee Benefits position - \$64,417, 1.0 FTE Senior Executive Assistant position - \$67,871, and 1.0 FTE Benefits Operations Manager position - \$115,740. These additional positions are offset by abolishment of 3.95 FTE's: 1.0 FTE vacant Clerical Specialist (HR) NR position - \$47,071, 1.0 FTE vacant Health Care Benefits Coordinator position - \$85,527, and 1 FTE Business Manager position - \$104,278, and .95 FTE vacant Human Resources Intern position \$24,506. In addition, there are minor adjustments in Vacancy and Turnover and Special Premium.
- Expenditures for Services decrease by \$283,450, from \$450,000 to \$166,550. The decrease is due to a reduction in professional services for consulting and actuarial assistance. Staff will now do most of the duties previously performed by consultants.
- An appropriation of \$9,090 is included for commodities based on the Division's experience over the past year. When this budget unit was established in 2007, no estimate was made for commodities.
- Direct Revenue increases \$166,417 to a total of \$1,263,690. This revenue provides funding for staff and other expenditures dedicated to the ERS/Pension system.
- The Vitech V3 application will be implemented in 2008 and will replace the existing Pension and Post-Employment Life/Health systems. V3 is a web-based solution that will facilitate improved accuracy, customer service and request tracking, reduce dependency on paper records, automate manual processes, eliminate redundant work effort and provide online access for participants, business continuity and recovery capabilities for critical data and business processes and comprehensive compliance and reporting capabilities.
- The Ceridian benefit system was implemented in July 2007. Under the new system Milwaukee County employees will use online self-service tools to compare coverage, review/change benefits, and review/change employee and dependent information.
- Departments have the authority to fill unfunded positions provided they do not incur a salary deficit.
- ECP positions are not provided step increases or performance awards in 2008 as allowed in County Ordinance Section 17.265 (3).
- The abatement of Countywide crosscharges is discontinued in 2008. The tax levy previously held in the servicing department is redistributed to the recipient departments in an amount corresponding to the crosscharges. This results in a tax levy redistribution equal to the change in abatements. Due primarily to this change in methodology, direct tax levy for this department increased \$130,277. The change in tax levy for this department from 2007 is an increase of \$130,277.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation

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incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severely liable to the county for the

full amount paid. A county employee who knowingly violates this subsection may be removed for cause."