

COUNTY EXECUTIVE'S 2009 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 plans, 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	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Personal Services (w/o EFB)	\$ 666,866	\$ 1,142,699	\$ 1,202,355	\$ 59,656
Employee Fringe Benefits (EFB)	382,411	694,489	794,898	100,409
Services	285,386	166,550	119,250	(47,300)
Commodities	3,034	9,090	10,780	1,690
Other Charges	0	0	0	0
Debt & Depreciation	0	0	0	0
Capital Outlay	0	0	0	0
Capital Contra	0	0	0	0
County Service Charges	253,760	236,435	265,876	29,441
Abatements	(44,531)	0	0	0
Total Expenditures	\$ 1,546,926	\$ 2,249,263	\$ 2,393,159	\$ 143,896
Direct Revenue	895,094	1,263,690	1,476,906	213,216
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 895,094	\$ 1,263,690	\$ 1,476,906	\$ 213,216
Direct Total Tax Levy	651,832	985,573	916,253	(69,320)

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Central Service Allocation	\$ 0	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	23,388	0	0	0
Tech Support & Infrastructure	3,169	0	0	0
Distribution Services	12,418	0	0	0
Telecommunications	2,196	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	3,361	0	0	0
Total Charges	\$ 44,532	\$ 0	\$ 0	\$ 0
Direct Property Tax Levy	\$ 651,832	\$ 985,573	\$ 916,253	\$ (69,320)
Total Property Tax Levy	\$ 696,364	\$ 985,573	\$ 916,253	\$ (69,320)

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* In 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 and 2009, these costs are budgeted within the receiving department to show the tax levy cost in the department.

PERSONNEL SUMMARY				
	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Personal Services (w/o EFB)	\$ 666,866	\$ 1,142,699	\$ 1,202,355	\$ 59,656
Employee Fringe Benefits (EFB)	\$ 382,411	\$ 694,489	\$ 794,898	\$ 100,409
Position Equivalent (Funded)*	15.3	18.8	19.6	0.8
% of Gross Wages Funded	100.0	97.2	97.6	0.4
Overtime (Dollars)**	\$ 11,820	\$ 20,137	\$ 0	\$ (20,137)
Overtime (Equivalent to Position)	0.2	0.4	0.0	(0.4)

* For 2007 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)
Pension Information Systems Spe	Create	1/1.0	ERS	\$ 60,670
Fiscal Officer Assistant	Create	1/1.0	ERS	63,400
Sr Exec Asst Benefits**	Unfund	1/1.0	General Benefits	(38,108)
			Total	\$ 85,962

** Existing position to be shared with Division of Human Resources

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.

- Work cooperatively with the Milwaukee County Pension Board to responsibly administer 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.

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 who reports to the Director of Administrative Services is responsible for all aspects of benefits management, including recruitment, management and coordination of staff.

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BUDGET HIGHLIGHTS

- Personal Services without fringe benefits increase \$59,656, from \$1,142,699 to \$1,202,355.
- The 2009 Budget continues a re-organization initiative developed by the Director of Employee Benefits to provide for a more efficient staffing arrangement. Total FTE's increase to 19.6. Two positions are created: 1.0 FTE Pension Information Systems Specialist position – salary and active fringe \$87,977 and 1.0 FTE Fiscal Officer Assistant position – salary and active fringe \$91,313. These positions are fully funded by the Employee Retirement System.
- In the General Benefits area, 1.0 FTE Senior Executive Assistant position - \$60,408 including salary and active fringe benefits was unfunded. Employee Benefits will share a single Senior Executive Assistant with DAS-Division of Human Resources. A cross charge of \$29,771 is added to the 2009 Budget to fund Employee Benefits' share of the position.
- Expenditures for Services decrease by \$47,300, from \$166,550 to \$119,250. The decrease is due to a reduction in professional services for consulting and actuarial assistance. Staff will assume more of the duties previously performed by consultants.
- Direct Revenue increases \$213,216 to a total of \$1,476,906. This revenue provides funding for staff and other expenditures dedicated to the ERS/Pension system.
- The Vitech V3 application is being implemented during 2008 and will "go live" in January of 2009. This system will replace the existing Pension and Post-Employment Life/Health systems. V3 is a web-based solution that will improve accuracy, track customer service and requests, reduce dependency on paper records, automate manual processes, and eliminate redundant work effort. Implementation of V3 will also provide online access for participants, business continuity and recovery capabilities for critical data and business processes, and comprehensive compliance and reporting capabilities.
- The department is analyzing potential strategies for achieving additional cost savings. As part of this analysis the department has also begun researching Health Savings Accounts (HSA's) to determine the viability of implementing a high-deductible plan. This initiative will continue in 2009.
- The department is in the process of renegotiating contracts for third party administration of the County's medical and pharmaceutical benefit programs. During 2009, the department will work to implement these contracts.
- The department is reviewing its mental health and EAP services for greater efficiencies in preparation of Mental Health Network (MHN) contract renewals for 2010.
- 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 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."