

COUNTY EXECUTIVE'S 2011 BUDGET

DEPT: WAGE AND BENEFIT MODIFICATION ACCOUNT

UNIT NO. 1972

FUND: General - 0001

BUDGET SUMMARY				
	2009 Actual	2010 Budget	2011 Budget	2010/2011 Change
Expenditures	\$ 0	\$ (25,837,697)	\$ (18,679,468)	\$ 7,158,229
Revenues	\$ 0	\$ (5,735,443)	\$ (4,506,747)	\$ 1,228,696
Property Tax Levy	\$ 0	\$ (20,102,254)	\$ (14,172,721)	\$ 5,929,533

BUDGET HIGHLIGHTS

Milwaukee County faces severe fiscal challenges and a structural deficit due in large part to rising employee/retiree benefit costs and reduced state aids for mandated programs and services. The fiscal shortfall has been exacerbated by the ongoing economic recession that resulted in market losses in Pension Fund assets and has significantly reduced countywide revenues. To address these issues, the 2011 Recommended Budget maintains this non-departmental account to budget \$14,172,721 of savings associated with wage and benefit modifications that are dependent upon labor negotiations. Figures are presented here for illustrative purposes as the reductions are budgeted within each County department.

2010 Wage and Benefit Modifications

The 2010 Adopted Budget included modifications to healthcare, pension and overtime benefits. These changes were implemented for non-represented staff and agreed to by the Machinists, Attorneys and TEAMCO. Approved labor contracts with the Nurses and the Trades unions included components of these modifications. The savings associated with non-represented staff, retirees and these bargaining units are incorporated into the Fringe Benefits budget, org 1950.

The yet-to-be realized savings associated with employees represented by DC-48, the Deputy Sheriffs Association and the Firefighter bargaining units are included in this budget, org. 1972. Should a labor agreement not be reached by December 31, 2010, the County Executive is authorized to implement up to 26 furlough days for employees in these bargaining units in all departments including constitutional offices for non-public health and non-safety related positions in order to realize an equivalent amount of savings and prevent a budget deficit. Elected officials and members of boards and commissions are also exempted from furlough days. The DAS Director is also given the authority to grant exemptions in order to preserve public health and public safety.

Step Increases

- All step increases, as provided for in Chapter 17 of the Milwaukee County General Ordinances are suspended for 2011.

Pension Benefits

- Projected annual costs of the current pension benefit are not sustainable. To lower these costs while still providing an attractive pension benefit, the annual “multiplier” was reduced in the 2010 Adopted Budget for most employees (subject to bargaining). This change was not applied at that time to elected officials or members of the Nurses and Trades unions. The 2011 Recommended Budget reduces the multiplier to 1.6 for future years of pension service credit for elected officials and members of the Nurses and Trades unions. No diminishment of pension service credit already earned will occur. In addition, all new hires

COUNTY EXECUTIVE'S 2011 BUDGET

DEPT: WAGE AND BENEFIT MODIFICATION ACCOUNT

UNIT NO. 1972
FUND: General - 0001

after 12/31/10 for these groups shall have a normal retirement age of 64 instead of 60. The changes are consistent with the modifications in the 2010 Budget that applied to non-represented positions.

- Employees eligible for pension benefits (regardless of vesting status) will contribute 5 percent of their annual salary to the County's pension system. This contribution is consistent with the national average for the public sector of 5 percent according to a report by the National Association of State Retirement Administrators. Milwaukee County employees currently make no contribution towards pension benefits. Implementation of this provision for all employees except non-represented employees will require agreement from the County's various labor unions. Should the County be unable to fully implement this provision by January 1, 2011, the County Executive is authorized to lay-off up to 165 employees throughout all departments including staff in constitutional offices in order to achieve a similar level of savings and prevent a budget deficit.

Pursuant to County Ordinance, ordinance amendments effectuating these changes shall be brought forward and reviewed by the Pension Study Commission and Pension Board and approved by the County Board prior to January 1, 2011.