

**INTEROFFICE COMMUNICATION
COUNTY OF MILWAUKEE**

DATE: April 30, 2012

TO: Marina Dimitrijevic, Chairwoman, County Board of Supervisors

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

SUBJECT: Resolution to Authorize Additional Funding for Actuarial Services

It is requested that this matter be referred to the Committee on Finance and Audit.

Policy Issue

Milwaukee County Ordinance 56.30 requires that all professional service contracts over \$50,000 requiring modification receive the approval of the County Board prior to their execution. This report is requesting authorization to increase the contract amount with Buck Consultants to continue to advise Milwaukee County in matters relating to pension actuarial services for the County Board, County Executive and the Employee Benefits Workgroup.

Action Recommended

It is recommended that:

1. The Director of the Department of Administrative Services be authorized to increase the contract with Buck Consultants to advise Milwaukee County on a fee for service basis, by \$40,000 from \$125,000 to \$165,000 from Fringe Benefits Org Unit 1950. Buck Consultants would continue to advise Milwaukee County in any and all matters relating to proposed changes to pension benefits as proposed by the County Board or the County Executive.
2. The Corporation Counsel be directed to prepare and execute a contract amendment for this increased amount with Buck Consultants to continue to advise Milwaukee County.

3. Any contract payments that are due and owing on the contract are allowed to be paid under the increased contract amount.
4. The prior exemption of this contract from the DBE provisions of Chapters 42 and 56 of the ordinances be extended.

Funds are available to cover the increased cost of this contract amendment from the Fringe Benefits budget in Org Unit 1950.

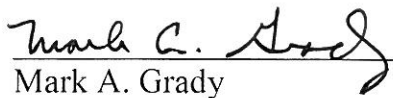
Background

In 2010, the County Board approved \$75,000.00 of funding for actuarial services for employee benefit analyses in Org. Unit 1950. In 2011, the County Board increased the funding for actuarial services, as part of the 2011 Adopted Budget, by \$50,000. During 2011 and 2012, actuarial services have been utilized for a variety of matters:

- Ordinance amendments related to pension benefits for non-represented correction officers
- Ordinance amendments related to pension provisions of the collective Bargaining agreement with the Federation of Nurses and Health Professionals,
- Ordinance amendments related to state-mandated employee pension contributions,
- Ordinance amendments related to pension benefits for non-public safety unions,
- Ordinance amendments related to state legislation mandating that certain county employees transferred to state employment remain in the retirement system,
- Multiple analyses of the financial impact of closing the current defined benefit pension system,
- Analysis of the pension provisions of the collective bargaining agreement with the Milwaukee Deputy Sheriffs' Association,
- Ordinance amendments required for the OBRA pension system, and
- Analyses of potential backdrop modifications.

Invoices have been received which now exceed the funding authorized by the County Board. The current outstanding balance is \$4,554. In anticipation of additional requests for actuarial services, it is requested that the County Board authorize additional funding of \$40,000. The funds should be authorized in Fund

0001, Agency 194, Org Unit 1950, Account 6148. Sufficient funds exist in this account for this request.


Mark A. Grady

cc: Steve Cady
Carol Mueller
Amber Moreen