



Milwaukee County

Department of Human Resources

INTER-OFFICE COMMUNICATION

Date: JANUARY 14, 2013
To: Marina Dimitrijevic, County Board Chairwoman
From: Kerry Mitchell, Director, Department of Human Resources
Subject: **Relocation Reimbursement Policy**

A handwritten signature in cursive script that reads "Kerry Mitchell".

Issue

Milwaukee County competes with other employers in both the public and private sector to recruit for top talent in leadership and difficult-to-fill positions. Reimbursement of relocation expenses is one key compensation area where Milwaukee County is at a significant competitive disadvantage to other motivated employers.

Policy

Many public and private sector employers have successfully employed relocation reimbursement policies to help attract candidates to leadership positions or positions that require extra recruitment efforts. The City of Milwaukee has had such a policy since 1993; the Federal Government adopted its policy in 2000.

The attached draft resolution/ordinance establishes Milwaukee County policy for reimbursing the relocation expenses for FLSA-exempt positions and positions certified by the Director of Human Resources as having limited qualified applicants. Specifically, the draft ordinance allows department heads, with prior approval from Human Resources, to offer reimbursement for reasonable and actual moving expenses up to \$15,000.

To be eligible for relocation reimbursement, the appointed candidate must not be a current employee and must be relocating from outside Milwaukee County to a residence within Milwaukee County. Additionally, the appointing authority must establish an agreement with the candidate including the following terms:

- (1) The employee shall be required to repay 100% of the reimbursed amounts if the employee voluntarily terminates employment within 24 months from the date of hire.
- (2) If the employee is terminated from employment for any reason other than reasonable cause, no repayment will be required; if the employee is terminated for cause repayment will be required according to item (1) of this subsection.

(3) Milwaukee County shall not reimburse for any other moving expenses not listed in the agreed-upon moving estimate.

(4) The parties agree that the relocation reimbursement shall be repaid to Milwaukee County within 30 days of separation as described in (1) and (2) above, and that Milwaukee County may use any legal recourse, including payroll withholding, to ensure full repayment.

Recommended Action

The Department of Human Resources recommends amending Chapter 17.09 of the Milwaukee County Code of General Ordinances as presented in the attached draft to establish a relocation reimbursement policy to better position Milwaukee County to compete with private and public sector employers to recruit top talent to Milwaukee County service.

CC: County Executive

A. Moreen

K. Bablitch

S. Cady

C. Mueller

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

(ITEM) From the Director, Department of Human Resources, recommending adoption of a resolution/ordinance to amend Chapter 17.09 of the Milwaukee County Code of General Ordinances to establish guidelines for reimbursement of certain moving expenses for new appointees to Milwaukee County positions, by recommending adoption of the following:

A RESOLUTION

WHEREAS, in order to recruit and hire the best possible candidate for high-level or difficult to fill positions, Milwaukee County periodically conducts national employment searches; and,

WHEREAS, it has become common practice for quality employers to offer relocation assistance as part of any strategic recruitment effort; employers who do not offer some form of relocation assistance find themselves at a competitive disadvantage in recruiting top flight candidates; and,

WHEREAS, while relocation reimbursement has been a common practice with both private and public sector employers – including the City of Milwaukee since 1993 – and is recognized as a vital instrument for recruiting and hiring high quality employees into public service; and

WHEREAS, Milwaukee County currently has vacancies in a variety of health care positions, including several Medical Director positions in the Sheriff’s Office and the Behavioral Health Division, as well as several departmental leadership positions, and relocation reimbursement may prove to be the difference in hiring a top candidate or losing out to a competing employer; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Section 17.09 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 17.09 of the General Ordinances of Milwaukee County is amended as follows:

33 **17.09. - Salary rate on nNew appointments.**

34 1) Salary rate on new appointments. Appointments to newly created or vacant
35 positions in pay ranges shall be made at the first step of the range except as
36 follows, unless otherwise specified in a collective bargaining agreement:

37 ~~(1)~~ (a) ___ When an employee is promoted from one classification to
38 another he/she shall be placed in that step of the new range immediately
39 above the compensation he/she is receiving at the date of promotion
40 without further review.

41 ~~(2)~~ (b) ___ A department head may appoint an individual whose training and
42 experience exceed the minimum qualifications to a non-ECP position at a
43 rate of pay higher than the first step of the pay range which shall be
44 effective immediately upon appointment.

45 ~~(3)~~ (c) ___ The director of human resources shall provide a monthly report
46 to the committee on finance, personnel and audit which lists all new
47 appointments at an advanced step of the pay range, along with a fiscal
48 note for each. This report shall be distributed to all county supervisors and
49 placed on the committee on finance, personnel and audit agenda for
50 informational purposes.

51 2) Relocation Reimbursement.

52 a) Certain new appointees may be eligible for reimbursement for relocation
53 expenses under this subsection provided the appointee qualifies under each of
54 the following requirements:

- 55
- 56 (1) The appointee must not be a current Milwaukee County employee.
 - 57 (2) The appointee must be relocating from outside Milwaukee County.
 - 58 (3) The new place of residence must be within the geographic boundaries of
59 Milwaukee County.
 - 60 (4) The position must be FLSA exempt or must be certified by the Director of
61 Human Resources as having limited qualified applicants.
 - 62 (5) Relocation reimbursement must be authorized by the Director,
63 Department of Human Resources, prior to the appointing authority
64 extending a formal offer of employment to the candidate.
 - 65 (6) The Department Head is responsible for ensuring that the relocation costs
66 negotiated are within the appointing department's budget allocation.

67

68 b) The relocated employee will be reimbursed for reasonable and actual moving
69 expenses not to exceed \$15,000 according to the following:
70

- 71 (1) Milwaukee County agrees to reimburse the employee for the cost of
72 moving normal household items and full value insurance protection from
73 origin to destination, up to the amount agreed-upon during job offer
74 negotiations (not to exceed \$15,000).
75 (2) The appointing authority must receive three relocation cost estimates from
76 the candidate; Milwaukee County will reimburse the lowest of the three
77 estimates.
78 (3) Applicable receipts will be required prior to reimbursement and must be
79 submitted within 90 days of occupancy of the new residence. The claim
80 for reimbursement shall conform to the County's standard procedures.

81
82 c) The following moving expenses are not authorized:

- 83 (1) Special services such as maid service, carpet service, disassembly of
84 unusual articles.
85 (2) Transportation of vehicles (including mileage claims), camping or utility
86 trailers, building materials, firewood, landscape materials, animals, boats,
87 or items not considered normal household items.
88 (3) Visits to the new location to secure housing.
89 (4) Storage costs at destination.
90 (5) Temporary living expenses at destination.
91 (6) Costs associated with the sale or purchase of residences, or forfeiture of
92 deposit, penalty, etc. as a result of breaking or terminating a
93 lease/agreement.

94
95 d) The appointing authority, representing Milwaukee County, and the employee
96 shall enter into a Reimbursement of Relocation Expenses agreement that shall
97 include the following:

- 98 (1) The employee shall be required to repay 100% of the reimbursed amounts
99 if the employee voluntarily terminates employment within 24 months from
100 the date of hire.
101 (2) If the employee is terminated from employment for any reason other than
102 reasonable cause, no repayment will be required; if the employee is
103 terminated for cause repayment will be required according to item (1) of
104 this subsection.
105 (3) Milwaukee County shall not reimburse for any other moving expenses not
106 listed in the agreed-upon moving estimate.
107 (4) The parties agree that the relocation reimbursement shall be repaid to
108 Milwaukee County within 30 days of separation as described herein, and
109 that Milwaukee County may use any legal recourse, including payroll
110 withholding, to ensure full repayment.

111
112 e) Reimbursement of the expenses defined in item (1) are considered qualified
113 expenses per current IRS regulations and are not subject to tax withholding and
114 will be processed as reimbursements per the County's standard procedures.
115 Appointees are encouraged to check with a tax accountant if they have any

116 questions on what relocation expenses may be listed as deductions in personal
117 income statements.

118
119 f) Appointee will be responsible for all expenses not listed above that relate to
120 relocating to the new job location.

121
122 g) The appointing authority will establish a record that details the terms of the
123 Reimbursement of Relocation Expenses agreement, including the final
124 reimbursement amount.

125
126 **SECTION 2.** The provisions of this ordinance shall be effective upon passage and
127 publication.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: January 14, 2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution/ordinance to amend Chapter 17.09 of the Milwaukee County Code of General Ordinances to establish guidelines for reimbursement of certain moving expenses for new appointees to Milwaukee County positions.

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	20,000	0
	Revenue	0	0
	Net Cost	20,000	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. Adoption of this resolution would establish a policy for reimbursing allowable expenses for a candidate for County employment to relocate to Milwaukee County.

B. The policy allows for reimbursement of up to \$15,000 in allowable and actual moving expenses with prior approval from the Director of Human Resources. Because each reimbursement is conditional, the frequency and actual cost of such reimbursements is unknown.

C. Relocation reimbursements approved in 2013 will be absorbed within the departmental budget of the requesting department. No additional tax levy is required. To help offset costs associated with hiring certain medical positions in the Sheriff's Office, the 2013 Adopted Budget included funds in an allocated contingency account that may be available for reimbursement of relocation expenses.

D. This fiscal note assumes an average reimbursement of \$10,000 for actual authorized expenses and assumes two such reimbursements that are not otherwise covered by the allocated contingency account.

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 Human Resources/Ceschin

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No