

Minutes of the Personnel Committee

Tuesday, February 5, 2008

Chair Paulson called the meeting to order at 1:01 p.m.

Present: Supervisors Duane Paulson (Chair), Joe Vitale, Tom Bullermann, Tom Schellinger, Fritz Ruf, and Bob Thelen. **Absent:** Pete Gundrum.

Also Present: Legislative Policy Advisor Mark Mader, Administration Director Norm Cummings, and Accounting Services Manager Larry Dahl. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 12-18-07

MOTION: Thelen moved, second by Ruf to approve the minutes of December 18. Motion carried 6-0.

Schedule Next Meeting Dates

February 19.

Executive Committee Report of 2-4-08

Paulson advised of the following issues discussed at yesterday's Executive Committee meeting.

- Approved the ordinance to accept Homeland Security funds to improve communications at the Dispatch Center.
- State legislators Gunderson, Zipperer, and Jeskewitz were present to discuss issues such as 911 technology/fees, funding for public defender's offices, and the Great Lakes Water Compact.
- Approved the ordinance to construct an additional salt storage shed at the Highway Operations Center in Waukesha, to be fully funded by the State.
- Approved the appointment of Kurt Bauer as Waukesha County Surveyor.

Ordinance 162-O-095: Establish An Internal Service Fund For Health And Dental Insurance

Cummings and Dahl discussed this ordinance as outlined which authorizes the establishment of a new internal service fund in 2009 to account for the County's self-insured health and dental plans and related activities, which are currently budgeted in the general Fund. In 2007, total premiums for the health insurance, benefit, including employee contributions, were about \$15.4 million. Dental insurance premiums were another \$1.1 million. The ordinance also authorizes the transfer of the insurance reserves from the General Fund into the new internal service fund. Cummings said these costs will still be budgeted in each department.

Cummings advised one of the benefits of establishing an internal service fund is that it's very visible into the program's activities due to the requirement for separate budgets and financial statements, which would be subject to the normal County Board review processes. As with the

General Fund, reserves for claims payments would be maintained, and investment revenue accrued to the average balance.

Cummings said on the negative side, they will have to double-budget which he explained further. The 2009 budget would need to include revenues for premiums charged to departments, employees and retirees, as well as investment income accruing to the reserve balances. Budgeted expenditures would include claims payments (including an actuarial estimate for incurred but not reported claims), plan administration fees and stop-loss insurance coverage. Based on recent experience, total new budgeted revenues and expenses are expected to exceed \$17 million.

Paulson asked if there will be any changes in the current insurance program such as the amount that employees pay towards their premiums, the amount paid in deductibles, etc. Cummings said no. In addition, the only items the budget will reflect that weren't reflected before are wellness programs such as smoking cessation. They are already funded by insurance proceeds. Mader asked Cummings to touch on what other County funds are similar to this. Cummings said Risk Management is probably the most similar. Vitale asked if there will be any administrative costs associated with this change. Cummings said not really; it's mainly just adding a fund and we have a financial system that will handle it. He expects this will be easier to track by both Administration Staff and the County Board. To answer Bullermann's question, Cummings noted the bond rating agencies will love this because a major cost is now very visible.

MOTION: Ruf moved, second by Thelen to approve Ordinance 162-O-095. Motion carried 6-0.

Closed Session

MOTION: Vitale moved, second by Schellinger to go into closed session at 1:27 p.m. in accordance with Section 19.85 (1)(e) Wis. Stats. for the purpose of discussing collective bargaining issues, and to approve the closed session minutes of previous meeting(s). Motion carried 6-0.

MOTION: Ruf moved, second by Bullermann to return to open session at 2:18 p.m. Motion carried 6-0.

MOTION: Bullermann moved, second by Vitale to adjourn at 2:18 p.m. Motion carried 6-0.

Respectfully submitted,

Approved on: _____

Robert G. Thelen II
Secretary