

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : September 11, 2012

TO : Supervisor David Cullen, Co-Chair, Finance, Personnel and Audit Committee
Supervisor Willie Johnson, Jr., Co-Chair, Finance, Personnel and Audit Committee

FROM : Steve Cady, Fiscal & Budget Analyst, County Board

SUBJECT : Fiscal Note Review for the 2012 Contract between Milwaukee County and the International Association of Machinists and Aerospace Workers (Machinists), District 10

I have reviewed the fiscal note prepared by the Office of the Comptroller regarding the 2012 proposed agreement between County of Milwaukee and Machinists regarding Base Wages.

I agree with the assumptions, methodologies and conclusions presented in the fiscal note.

If you have any questions, do not hesitate to contact me.


Steve Cady
Fiscal & Budget Analyst

cc: Finance, Personnel and Audit Committee Members
Supervisor Mariana Dimitrijevic, Chairwoman, County Board
Patrick Farley, Director, Department of Administrative Services
Kerry Mitchell, Director, Human Resources
Fred Bau, DAS – Labor Relations
Craig Kammholz, Fiscal and Budget Admin, DAS
Carol Mueller, Finance, Audit and Personnel Committee Clerk, County Board Staff
Scott Manske, Comptroller

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 09/11/2012

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Proposed Bargaining Agreement between Milwaukee County and the District 10 International Association of Machinists and Aerospace Workers (Machinists)

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

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	0	0
	Revenue	0	0
	Net Cost	0	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. Under Wisconsin Employment Relations Commission (WERC) rules and State Statute, represented bargaining units are only allowed to negotiate for base wage increases on an annual basis. The start of the bargaining year for the Machinists bargaining unit was as of January 1, 2012. The last day of their previously negotiated contract was December 31, 2011. The bargaining unit was recertified, according to the Milwaukee County Department of Labor Relations.

Using rules provided by WERC, a calculation was made for Milwaukee County Labor Relations of the Base Wage Increase for 2012 for this bargaining unit. The calculation was based on the members of the bargaining unit in the pay period that was 180 days prior to the beginning of the bargaining year. The pay period used was Pay Period 14 2011 (June 25, 2011). At that time, the bargaining unit had four members who were actively employed in the bargaining unit. The annual wages of the members were calculated based upon their existing wage rates and were then multiplied by the CPI applicable to bargaining years beginning on January 1, 2012 or 2.01%. This became the maximum base wage increase for purposes of bargaining.

B. Based upon the proposed agreement with the Machinists bargaining unit, the base wage rates will remain the same for 2012 as they were in 2011. As a result, the base wage increase for 2012 will be \$0 (zero) for 2012 for the Machinists bargaining unit. No provision was included in the 2012 budget for wage rate increases for the Machinists bargaining unit.

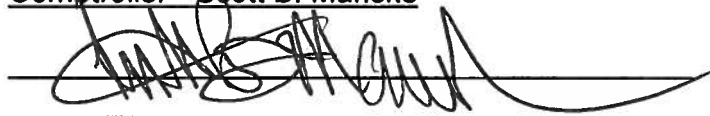
¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

C. No provision was included in the 2012 budget for base wage rate increases for the Machinists bargaining unit. As a result, there would be no budgetary savings or costs based upon the proposed agreement between the County and the Machinists bargaining unit.

D. Calculation of the "Maximum Base Wage Increase" for the Machinists bargaining unit were made in accordance with the Wisconsin Employment Relations Commission rules. No provision was made for any litigation that may have occurred subsequent to the issuance of those rules, and we have no knowledge of any such litigation. Prior to discussions with the Union, representatives of Labor Relations, Corporation Counsel, Department of Administrative Services, the Controller, and outside labor counsel discussed the definition of base wages, and the negotiation of base wages.

Department/Prepared By Comptroller - Scott B. Manske

Authorized Signature

A handwritten signature in black ink, appearing to read 'Scott B. Manske', written over a horizontal line.

Did DAS-Fiscal Staff Review? Yes No