

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 25, 2021

TO: Marcelia Nicholson, Chairperson, County Board of Supervisors

FROM: Cynthia (CJ) Pahl, Financial Services Manager, Office of the Comptroller

SUBJECT: Fiscal Impact – 2021 Collective Bargaining Agreement with the Association of Technicians, Engineers, and Architects of Milwaukee County

Under Wisconsin Employment Relations Commission (WERC) rules and Statute Statute, non-public safety bargaining units are only allowed to negotiate for base wage increases on an annual basis. The start of the bargaining year for the Association of Technicians, Engineers, and Architects of Milwaukee County was January 1, 2021. The last day of their previously negotiated contract was December 31, 2020. The bargaining unit was recertified in 2021.

2021 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2021 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 expiration date of the most recent collective bargaining agreement. The pay period used was Pay Period 15 2020 (ending July 11, 2020). At that time, the bargaining unit had 39 members who were actively employed. The annual wages of the members were calculated based upon their wage rates at that time and were then multiplied by the CPI applicable to bargaining years beginning on January 1, 2021, or 1.56 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$48,144; this is the maximum amount that can be paid in additional base wages in 2021 and can be paid out however agreed upon by the union and the County.

2021 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 14 (beginning June 27, 2021) for all members. The base wage increase results in a total salary lift for 2021 of \$15,890 for the bargaining unit, which is \$32,254 below the maximum base wage increase allowable. Calculation of the maximum base wage increase for the bargaining unit was made in accordance with the WERC rules. The Office of the Comptroller and outside legal counsel have discussed and have agreed to the definition, application and calculation of base wages.

Impact of 2021 Wage Increase on 2021 Budget and 2022 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 14 (beginning June 27, 2021). The cost of the wage increase for 2021, using the contract effective date, would be as follows:

2021 Salary Increase	\$	15,890
FICA	\$	1,216
Cost	\$	17,106

The 2021 Adopted Budget included appropriations for a 1.0 percent wage increase for all employees, effective Pay Period 14, or approximately \$17,106 in additional salary dollars, including social security. The 2021 Adopted Budget included \$17,106 for salary and \$1,309 for social security and therefore based on current employee salaries, there is a small savings of \$1,309 based on the proposed agreement for the current year.

2021 Budgeted Salary Increase	\$	17,106
FICA	\$	1,309
Total Budgeted Amount	\$	18,415
Projected 2021 Cost	\$	17,106
Savings / (Cost)	\$	1,309

Since this wage increase inflates the base wage of these employees, it would therefore impact each subsequent year budget. The budget impact on 2022, assuming the same pension percentages, would be as follows:

2022 Salary Increase	\$	30,763
FICA	\$	2,353
Cost	\$	33,116



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