

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** January 15, 2014

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution authorizing and directing the rehiring of former displaced County housekeepers to service the Courthouse Facility

**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<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues          |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues          |
| <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget   |   |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input checked="" type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues  |   |
| <input type="checkbox"/> Decrease Operating Revenues  |   |

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$399,327	\$588,877
	Revenue	\$20,335	\$32,091
	Net Cost	\$378,992	\$556,786
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## 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.<sup>1</sup> 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.

Approval of this resolution authorizes and directs the Director, Department of Administrative Services, to designate that housekeeping services for the Courthouse Building will be provided by displaced former County Facility Workers. Currently these services are provided on a month-to-month contract with Mid-American Building Services at a monthly cost of \$35,407, or \$424,884 per year. Mid-American is also paid to clean the Criminal Justice Facility (\$8,337/month), Safety Building (\$14,171/month), Medical Examiner (\$2,439/month), City Campus (\$7,927/month), Vel Phillips Juvenile Justice Center (\$18,638/month), Children's Adolescent Treatment Center (\$6,414/month), Highway Facility (\$1,582/month), Fleet Services (\$1,583/month) and Facilities West (\$1,295/month).

The fiscal impact of this resolution assumes that the former County housekeepers would be hired at the 4<sup>th</sup> step (\$14.23/hr) in pay range 10Z, which is the current pay range for housekeepers at General Mitchell International Airport. This is a seven-step pay range from \$10.69/hour to \$16.63/hour, or \$22,245 to \$34,593 annually. The Housekeeper In-Charge position is assumed to be hired at the third step (\$17.18/hour) of pay range 12, which is the current pay range for In-Charge housekeepers at the Airport. This is a five-step pay range from \$15.99/hour to \$18.02/hour, or \$33,263 to \$37,481 annually. (Many former County housekeepers were at the top step of discontinued pay range 7-F when they were laid off in 2009. The hourly rate was \$14.65 at that time.)

The Facilities Maintenance Manager estimates that twenty housekeeping positions would be needed to approximate the cleaning standards included in the current contract with Mid-

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<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

American. This includes one In-Charge position. In addition, approximately \$40,000 in cleaning supplies would be needed annually that are currently provided through the contract with Mid-American.

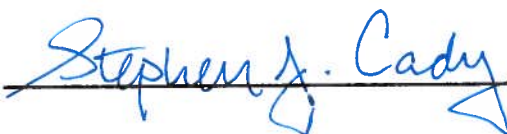
This fiscal note assume that the County employees would be hired at the beginning of pay period 10 (April 13, 2014) and that the monthly contract with Mid-American for cleaning the Courthouse would be terminated at the end of April 2014. Based on these assumptions, the additional cost to provide housekeeping services for the Courthouse building would be approximately \$378,992 more in 2014 if County employees were used and an additional \$556,786 for the full-year in 2015.

The assumptions for 2015 assume that the County employees would receive a step-increase after the 9<sup>th</sup> payroll period and that the Mid-American monthly cost would have remained the same at \$35,407 per month. Costs for County active healthcare are assumed at \$13,836 per year, and pension costs are calculated at 10.4 percent of salary, with employee pension contribution revenues calculated at 5.2 percent of salary.

Using these figures, the full-year cost in 2015 for a housekeeper is \$46,668, which includes \$30,563 in salary and \$16,105 in net fringe benefit costs. The Housekeeper In-Charge position would cost \$54,955, which includes \$36,437 in salary and \$18,518 in net fringe benefit costs. The partial year cost for 2014 for a housekeeper is \$30,886, which includes \$19,353 in salary and \$11,522 in net fringe benefit costs. The Housekeeper In-Charge position would cost \$35,406, which includes \$23,358 in salary and \$12,048 in net fringe benefit costs.

If approved, this fiscal note assumes that an appropriation transfer would be necessary at some point in 2014 to realign expenditures within Org. 5700 – DAS - Facilities Management accounts to transfer funds within contractual accounts to personal services. In addition, the increased cost to provide this service would most likely require a transfer from Org. Unit 1945 – Appropriation for Contingencies at some point in 2014.

Department/Prepared By Steve Cady, Director of Research Services, Office of the Comptroller

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No  Not Required