

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 22, 2022

TO: Marcelia Nicholson, Chairperson, County Board of Supervisors

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

SUBJECT: Fiscal Impact – 2022 Collective Bargaining Agreement with the Milwaukee Building & Construction Trades Council

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 Milwaukee Building & Construction Trades Council (MBCTC), AFL-CIO, was January 1, 2022. The last day of their previously negotiated contract was December 31, 2021. The bargaining unit was recertified in 2022.

2022 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2022 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 2021 (ending July 11, 2021). At that time, the bargaining unit had 75 members who were actively employed¹. 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, 2022, or 2.3 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$146,659; this is the maximum amount that can be paid in additional base wages in 2022 and can be paid out however agreed upon by the union and the County.

2022 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 2.0 percent effective with Pay Period 8 (beginning April 3, 2022) for all members. The base wage increase results in a total salary lift for 2022 of \$89,881 for the bargaining unit, which is \$56,778 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.

¹ For purposes of this fiscal note, the MBCTC bargaining unit consists of all represented employees not under control of the Milwaukee County Mental Health Board.

Impact of 2022 Wage Increase on 2022 Budget and 2023 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 2.0 percent effective with Pay Period 8 (beginning April 3, 2022). The cost of the wage increase for 2022, using the contract effective date, would be as follows:

2022 Salary Increase	89,881
FICA	6,876
Cost	96,757

The 2022 Adopted Budget included appropriations for a 2.00 percent wage increase for all employees, effective Pay Period 8, or approximately \$135,483 in additional salary and social security dollars. Therefore, there is a cost savings of \$38,726 based on the proposed agreement for the current year.

2022 Budgeted Salary Increase	125,855
FICA	9,628
Total Budgeted Amount	135,483
Projected 2022 Cost	96,757
Savings / (Cost)	38,726

Since this wage increase inflates the base wage of these employees, it would therefore impact each subsequent year budget. The budget impact on 2023, assuming the same pension percentages, would be as follows:

2023 Salary Increase	119,841
FICA	9,168
Cost	129,009



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