

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

DATE: October 17, 2016  
 TO: Supervisor Theo Lipscomb, Sr., Chairman, County Board of Supervisors  
 FROM: Scott B. Manske, Comptroller *SB Manske*  
 SUBJECT: Fiscal Report on the Proposed Agreement with the Milwaukee County Firefighters Association

The following provides a summary of the *fiscal impact of the proposed Milwaukee County Firefighters Association contract amendment for the calendar year 2016*. It provides an estimate of the fiscal impact of the proposal; the actual fiscal impact may be greater than or less than the impact that is estimated below. This is a standalone estimate and does not take into consideration the costs estimated at the time the original contract was approved.

**Key Wage & Benefit Elements**

The table below presents the key wage and benefit elements of the proposed contract.

Table 1 Wage & Benefit Proposals	
Period Covered by Contract	January 1, 2015 - December 31, 2016
Proposal	
<b>1 Wage Rate Increases</b>	
Provide step increase	Effective 1/3/2016
Increase scale 1%	Effective 1/3/2016

**Proposed Contract Costs**

The following table presents the contract cost and total lift for 2016:

Table 2 Proposed Contract Cost		
		Proposal 2016
<b>1 Wage Rate Increases</b>		
Provide step increase on new pay scale	\$	49,969
<b>Total Wage &amp; Benefit Change</b>		\$ 49,969
<b>Amounts Used in Calculations:</b>		
Number of Positions		17.00
Full-time equivalents including Overtime		27.64
Total calculated wages	\$	1,186,700
Average wage rate/hour	\$	14.70
Total base wages	\$	1,136,731
Annual lift percentage wages on base wage		4.40%
Annual lift percentage all costs on base wage		4.40%

## Changes in Proposed Contract

Following are the changes that are in the proposed contract agreement for with the Firefighters:

### 1. Wage Scale Modifications

The proposed agreement raise the current wage scale by 1 percent effective January 3, 2016 and also removes step 1 and adds a new step 7.

Item	Date Effective	Description	2016 Annual Cost/(Savings)
1	January 3, 2016	Wage Scale Modifications	\$49,969

For purposes of this fiscal note, the wage increase is implemented as of the second pay period in 2016, which is effective January 3, 2016. The last wage increases given to the Firefighters were in 2015, which provided a \$500 base wage increase and in the 2012-2014 contract, which provided a 3.0 percent increase in 2012, two 1.5 percent increases in 2013 and two 1.25 percent increases in 2014.

Effective January 1, 2016, the wage scale is changed, and because step 1 is removed, the intent of the agreement is to keep all employees in the same step, but on the new scale. For example, if I was in the old step 2 making \$18.4738 an hour, upon enactment of the agreement, I will be in the new step 2 making \$19.7102 an hour. Therefore, each member will be given a step advancement, which also includes a 1 percent increase.

The new and old wage scales are shown below for comparison purposes.

Old Step	New Step	Old Wage	New Wage
8	8	23.3005	23.5335
	7		22.6400
7	6	21.6589	21.8755
6	5	21.2425	21.4549
5	4	20.8258	21.0341
4	3	20.2748	20.4775
3	2	19.5150	19.7102
2	1	18.4738	18.6585
1		15.4967	

## Budgetary Impact of Proposed Contract

The budgetary impact is described in the table below. Only \$5,952 was budgeted in 2016; therefore, the Department of Transportation – Airport Division will have to use expenditure savings to cover the additional costs of the contract. Since the Airport Division is fully funded by user fees and charges, there will be no tax levy impact due to the increased costs.

		<b>Proposal 2016</b>	
<b>Contract Cost / (Savings)</b>			
	Wage rate Increases	\$	49,969
	<b>Total Cost</b>	<b>\$</b>	<b>49,969</b>
<b>Funding Sources</b>			
	Current Year Appropriations	\$	5,952
	<b>Total Additional Resources Required:</b>	<b>\$</b>	<b>44,017</b>

## Wage Lift for 2016

The following table projects the cumulative dollar change and percentage lift in costs for the proposed contract. This is the minimum cost the County will continue to pay in future years barring any changes within successor agreements. The contract results in a total cumulative lift of 4.40 percent for wages alone and 4.98 percent including costs for FICA and pension.

		<b>Proposal</b>		
		<b>Cumulative Total Lift</b>	<b>Cumulative Lift %</b>	<b>Cost/ (Svgs) Per Active</b>
Wage rate Increases		\$ 49,969	4.40%	\$ 2,939
	<b>Subtotal Wages</b>	<b>\$ 49,969</b>	<b>4.40%</b>	<b>\$ 2,939</b>
	FICA	\$ 3,823	0.34%	\$ 225
	Pension	\$ 2,838	0.25%	\$ 167
	<b>Subtotal Wages / FICA / Pension</b>	<b>\$ 56,630</b>	<b>4.98%</b>	<b>\$ 3,331</b>
	<b>Total Cost</b>	<b>\$ 56,630</b>	<b>4.98%</b>	<b>\$ 3,331</b>
Number of Positions			17.00	
Full-time equivalents including Overtime			27.64	
Total calculated wages			\$ 1,186,700	
Average wage rate/hour			\$ 14.70	
Total base wages			\$ 1,136,731	
Cumulative Lift Pcntg Wages on Base Wage			4.40%	
Cumulative Lift Pcntg All Costs on Base Wage			4.98%	

## **Administrative Costs Associated with Implementing this Contract**

To implement this contract, personnel in the Office of the Comptroller will have to input the rate changes into the Ceridian HPW System. For wage rates, the implementation will require internal time and effort. The number of personnel hours to complete this task has not been determined yet, but other projects may be delayed to implement this contract.

*The above information was prepared by the Office of the Comptroller. It will be independently reviewed by the Office of the Comptroller – Audit Services and Office of the Comptroller – Research Services Division to satisfy Milwaukee County Ordinances. The Department of Administrative Services has also been provided a copy. A separate report may be issued by any of these divisions based upon their findings.*