

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 14, 2018

TO: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller
Cynthia (CJ) Pahl, Financial Services Manager, Office of the Comptroller

SUBJECT: Fiscal Impact – 2018 Collective Bargaining Agreement with the Association of Milwaukee County Attorneys

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 Milwaukee County Attorneys was January 1, 2018. The last day of their previously negotiated contract was December 31, 2017. The bargaining unit was recertified in 2018.

2018 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2018 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 14 2017 (ending July 1, 2017). At that time, the bargaining unit had 49 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, 2018, or 1.84 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$89,742; this is the maximum amount that can be paid in additional base wages in 2018 and can be paid out however agreed upon by the union and the County.

2018 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 17, 2018) for all members. The base wage increase results in a total salary lift for 2018 of \$26,779 for the bargaining unit, which is \$62,962 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 2018 Wage Increase on 2018 Budget and 2019 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 17, 2018). The cost of the wage increase for 2018, using the contract effective date, would be as follows:

2018 Salary Increase	\$ 26,779
FICA	\$ 2,049
Net cost	\$ 28,828

The 2018 Adopted Budget included an appropriation for a 1.0 percent wage increase for all employees, effective Pay Period 14 (beginning June 17, 2018), or approximately \$27,927 in additional salary dollars. Therefore, there is a \$1,236 savings based on the proposed agreement for the current year.

2018 Budgeted Salary Increase	\$ 27,927
FICA	\$ 2,136
Net Budgeted Amount	\$ 30,064
Net Actual Cost of Bargained 1%	\$ 28,828
Savings / (Cost)	\$ 1,236

Since this wage increase inflates the base wage of these employees it would therefore impact each subsequent year budget. The budget impact on 2019, assuming the same pension percentages, would be as follows:

2019 Salary Increase	\$ 49,733
FICA	\$ 3,805
Net cost	\$ 53,538



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