

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 09/01/2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Authorization to grant a three-tenths percent (.30%) increase to all non-public safety represented employees effective Pay Period 14, 2017 (June 18, 2017).

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

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$ 24,091	\$ 44,739
	Revenue	\$ 14,809	\$ 27,503
	Net Cost	\$ 9,282	\$ 17,236
Capital Improvement Budget	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. ¹ 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.
 - A. The Department is requesting authorization to grant a three-tenths of a percent (0.30%) increase effective Pay Period 14, 2017 (June 18, 2017) to employees in the following certified unions:
 - a. Association of Milwaukee County Attorneys
 - b. Wisconsin Federation of Nurses and Health Professionals Local 5000
 - c. TEAMCO
 - d. Milwaukee Building & Construction Trades Council

In 2016, non-represented employees received a one percent (1.00 %) base wage increase. Employees in the unions above negotiated a 2016 base wage increase that was less than that, or seven-tenths of a percent (0.70 %). Providing these union employees with a three-tenths percent increase will put their base wage on par with all other employees.

***In 2016, members of the International Union of Operating Engineers Local 139 were part of the County's non-represented group and received a 1.00 % base wage increase and therefore, are excluded from this request.*

- B. For 2017, the direct costs will be \$22,379 for salary and \$1,712 for social security, which is the cost of 14 pay periods at the higher base wage rate. There is also \$14,809 in offsetting revenues for a total tax levy impact in 2017 of \$9,282.

¹ 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.

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

For 2017, as of Period 8 (August), the County is projecting a small surplus. Departments with impacted employees will be asked to absorb the costs associated with these increases.

On an annualized basis, the direct costs will be \$41,560 for salary and \$3,179 for social security, which is the cost of 26 pay periods at the higher base wage rate, including social security. There is offsetting revenues of \$27,503 for a net tax levy impact of \$17,236.

- C. This action results in a budgetary cost in 2017 since the three-tenths of a percent (0.30 %) was not budgeted in the 2017 Adopted Budget. It is assumed that departments can absorb this amount within their budgeted salary dollars. For 2018, the additional amount was included in the County Executive's Recommended Budget.
- D. The fiscal estimates were created using an employee roster at a specific point in time. Employees affected by these changes may have left employment of the County or have had some other position action that occurred that could affect the dollar amounts estimated here. Additionally, FICA was assumed to remain at 7.65 percent over the project life.

Department/Prepared By CJ Pahl

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required