

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: October 28, 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 Association of Technicians, Engineers, and Architects of Milwaukee County

Under Wisconsin State Statutes, 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 Technicians, Engineers, and Architects of Milwaukee County 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

Pursuant to Wisconsin State Statutes, 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 37 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, 2022. This became the maximum base wage increase allowable for purposes of bargaining or \$68,573; 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) and an additional 2.0 percent effective Pay Period 18 (beginning August 21, 2022) for all members. The base wage increase results in a base wage increase for 2022 of \$66,845 for the bargaining unit, which is \$1,728 below the maximum base wage increase allowable. This reflects only the additional earnings received in 2022 by employees.

2022 Maximum Increase Allowed	
Maximum Increase Allowed	68,573
2022 Estimated Base Wage Increase	66,845
Under / (Over)	1,728

Impact of 2022 Wage Increase on 2022 Budget and 2023 Budget

The County's cost of the wage increases for 2022 is slightly higher than the additional base wage earned by employees since the County must pay for all days worked in 2022 during the 2022 fiscal year (while employees base wage reflects only earnings received in 2022). Therefore, the County's cost would be \$69,241 in salary and \$5,297 in social security, or a total of \$74,538.

The 2022 Adopted Budget included appropriations for a 2.0 percent wage increase for all members or approximately \$61,235 in salary and social security. Additionally, a 2022 appropriation transfer included appropriations for the second 2.0 percent wage increase for all members or approximately \$21,474 in additional salary and social security. Therefore, there is a cost savings of \$8,171 based on the proposed agreement for the current year.

2022 Budgeted Salary & Social Security Appropriations	
2022 Budgeted Salary & Social Security Appropriations	61,235
Additional 2% Salary & Social Security Appropriations	21,474
Total Budgeted Amount	82,709
Projected 2022 Cost	74,538
Savings / (Cost)	8,171

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

2023 Total County Cost	
2023 Cumulative Salary Lift	124,582
FICA	9,530
Cost	134,112