

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: February 21, 2020

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 of the 2020-2022 Agreement with the International Association of Fire Fighters, Local 1072

The following summary provides the fiscal impact of the proposed 2020-2022 Agreement with the International Association of Firefighters, Local 1072. This summary provides an *estimate* of the fiscal impact of the proposal based on current data; the actual fiscal impact may be greater than or less than the impact that is estimated below.

The table below presents the key wage and benefit elements of the proposed 2020-2022 Agreement.

Table 1		
Wage & Benefit Proposals		
International Association of Fire Fighters, Local 1072		
Period Covered by Contract	January 1, 2020 - December 31, 2022	
	Proposal	
1 Wage Rate Increases	2020 PP1: 2%	
	2021 PP1: 2%	
	2021 PP14: 1%	
	2022 PP1: 2%	
	2022 PP14: 1%	
	mid-2020: Shift Captain Pay	
2 Health Premiums	With Wellness	
per pay period	Current	Proposed 2021&2022
Single	\$47.49	\$50.82
Employee + Child(ren)	\$57.46	\$63.10
Employee + Spouse	\$90.00	\$97.92
Employee + Family	\$102.92	\$111.74
	Without Wellness	
Single	\$67.85	\$72.60
Employee + Child(ren)	\$80.54	\$86.18
Employee + Spouse	\$113.08	\$121.00
Employee + Family	\$126.00	\$134.82
3 In Section 2.10, add Subsection (4) establishing a process to request accommodation or special assignment due to pregnancy		

The following table summarizes the proposed Agreement's fiscal impact:

Table 2				
Fiscal Impact by Year				
Period Covered by Contract	2019	2020	2021	2022
1 Wage Rate Increases				
2020 PP1: 2%	\$ 1,236	\$ 26,700	\$ 27,339	\$ 28,050
2021 PP1: 2%	\$ -	\$ 377	\$ 27,886	\$ 28,610
2021 PP14: 1%	\$ -	\$ -	\$ 7,371	\$ 14,591
2022 PP1: 2%	\$ -	\$ -	\$ -	\$ 29,475
2022 PP14: 1%	\$ -	\$ -	\$ -	\$ 7,833
Shift Captain Pay	\$ -	\$ 13,065	\$ 22,645	\$ 23,233
FICA	\$ 95	\$ 3,071	\$ 6,521	\$ 10,082
Pension	\$ 110	\$ 3,573	\$ 7,586	\$ 11,729
Annual Fiscal Impact	\$ 1,440	\$ 46,786	\$ 99,348	\$ 153,603
2 Health Premiums				
2021 & 2022 Change		\$ -	\$ (2,904)	\$ (2,904)
3 Pregnancy accommodation process	\$ -	\$ -	\$ -	\$ -
Total Wage & Benefit Change	\$ 1,440	\$ 46,786	\$ 96,445	\$ 150,700

The proposed Agreement would retroactively increase wages in Pay Period 1 2020 which began on December 15, 2019. Additionally, the County could expect to promote three firefighters to Shift Captains with a 9 percent pay rate increase in approximately Pay Period 13 2020 (ending June 13, 2020).

Employees would increase their healthcare contributions in 2021 per the proposed Agreement. The higher rates are expected to provide a savings to the County in 2021 and 2022.

The proposed Agreement would amend Section 2.10 (re-labeled Medical Leave) by adding Subsection (4) establishing a process to request accommodation or special assignment due to pregnancy. A firefighter who is pregnant may work with her healthcare provider and the County to request an accommodation or a special assignment to other airport duties at any time during her pregnancy. When this provision is utilized by a firefighter, there will be a resulting cost for the additional overtime required to backfill her firefighting duties. However, since it is impossible to determine when a pregnancy may occur and when the firefighter may choose to move to light duty, it is impossible to calculate the cost.

Budget Impact

The budgetary impact is shown in the table below. The 2020 Adopted Budget includes roughly \$12,300 to cover the costs of pay increases, since it anticipated that salaries would increase by 1 percent at the start of the year. Since airport revenue pays for these expenditures, there is no tax levy impact from any of these changes.

Table 3				
Budgetary Impact				
	Proposal			
	2019	2020	2021	2022
Contract Cost (Savings)				
Wage Rate Increases	\$ 1,440	\$ 46,786	\$ 99,348	\$ 153,603
Health Premiums	\$ -	\$ -	\$ (2,904)	\$ (2,904)
Total Cost	\$ 1,440	\$ 46,786	\$ 96,445	\$ 150,700
Funding Source				
Current Year Appropriations		\$ 12,281	\$ -	\$ -
Additional Resources Required	\$ 1,440	\$ 34,504	\$ 96,445	\$ 150,700

Cumulative Wage and Benefit Lift

The following table projects the cumulative dollar change and percentage lift in costs for the proposed Agreement. It includes costs for all years, as previously shown in the other schedules, but on an annualized basis. The County will at a minimum pay this cost in future years, barring any changes within any successor agreements. The wage and benefit changes provided from 2020 to 2022 result in a total cumulative lift of 12.10 percent.

Table 4			
Cumulative Lift (as if all costs/savings were annualized)			
	Proposal		
	Cumulative Total Lift	Cumulative Lift %	Cost (Svgs) Per Active
Wage Rate Increases			
2020 PP1: 2%	\$ 28,050	2.14%	\$ 1,558
2021 PP1: 2%	\$ 28,610	2.18%	\$ 1,589
2021 PP14: 1%	\$ 14,591	1.11%	\$ 811
2022 PP1: 2%	\$ 29,475	2.24%	\$ 1,637
2022 PP14: 1%	\$ 14,942	1.14%	\$ 830
Shift Captain Pay	\$ 23,233	1.77%	\$ 1,291
FICA	\$ 10,626	0.81%	\$ 590
Pension 8.9%	\$ 12,362	0.94%	\$ 687
Wages, FICA, Pension	\$ 161,889	12.32%	\$ 8,994
Health Premiums			
2021 & 2022 Change	\$ (2,904)	-0.22%	\$ (161)
Total Change	\$ 158,986	12.10%	\$ 8,833
Number of Positions	18.0		
Full-time Equivalents	19.8		
Total Calculated Wages	\$ 1,452,440		
Average Wage Rate Per Hour	\$ 25.18		
Total Base Wages (FY2019 Wages)	\$ 1,313,539		
Total Hours	57,680		

Administrative Costs Associated with Implementing this Agreement

Implementing these wage rates and health plan changes will require internal time and effort. To implement this Agreement, personnel in the Department of Human Resources will have to input the rate changes into the Human Resources/Payroll System and Office of Comptroller staff will need to compute and process retroactive payments. These tasks will be absorbed within current employees' duties and will not likely result in unexpected administrative costs.

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.



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