

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 8, 2023

TO: Marcelia Nicholson, Chairperson, County Board of Supervisors

FROM: Cynthia (CJ) Pahl, Financial Services Director, Office of the Comptroller

SUBJECT: Fiscal Impact – 2023 Collective Bargaining Agreement with the Milwaukee Building & Construction Trades Council

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 Milwaukee Building & Construction Trades Council (MBCTC), AFL-CIO, was January 1, 2023. The last day of their previously negotiated contract was December 31, 2022. The bargaining unit was recertified in 2023.

2023 Base Wage Limit

The maximum base wage increase allowable for 2023 is calculated by multiplying the total base wages for authorized positions in the proposed collective bargaining agreement 180 days prior to December 31, 2022 multiplied by the CPI applicable to bargaining year beginning on January 1, 2023, or 7.17%. The resulting maximum base wage increase allowable for purposes of bargaining was \$558,618.

Base Wage Compliance and Fiscal Impact of 2023 Wage Increase on 2023 Budget and 2024 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 2.0 percent which results in an annual salary cost of \$157,155 for all budgeted positions. Based on an April 2, 2023, effective date, the projected financial cost in 2023 is projected to be \$102,152.

The 2023 Adopted Budget included appropriations for a 2.0 percent wage increase effective April 2, 2023 (pay period 8) for all positions in the bargaining unit, or \$116,548 in salary and \$8,916 in social security. Therefore, there is a cost savings of \$15,497 based on the proposed agreement for the 2023 fiscal year.

2023 Budgeted Salary Increase	\$ 116,548
2023 Budgeted FICA Increase	\$ 8,916
Total Budgeted Amount	\$ 125,463
Projected 2023 Salary Cost	\$ 102,152
Projected 2023 FICA Cost	\$ 7,815
	\$ 109,967
Savings / (Cost)	\$ 15,497

The fiscal impact on each subsequent year budget (2024 and beyond) would be as follows:

2024 Salary Increase	\$ 157,155
2024 FICA	\$ 12,022
Total Cost	\$ 169,177