

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: October 1, 2021

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution to reallocate the Pay Grade of Five Positions, including Director and Budget and Management Director, Department of Administrative Services (DAS), Director, Department of Transportation, Director, Department of Health and Human Services, and Chief Human Resources Officer, from 903E to 904E to reflect their critical roles and responsibilities and to promote compensation equity amongst other departmental leaders

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input checked="" type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

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	\$1,109*	\$11,867*
	Revenue	\$0	\$0
	Net Cost	\$1,109	\$11,867
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

**The assumption is that the individuals impacted by the reallocation will be placed at the minimum salary point of the newly reallocated pay grade. For illustrative purposes, if they were all placed at the mid-point of the newly reallocated pay grade, the current year cost would be \$15,049 and subsequent year cost would be \$161,021.*

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. Approval of this resolution would allow for the reallocation of five positions to pay grade 904E as effectuated by File #17-569. These five positions would be reallocated from pay grade 903E (minimum \$107,948 to \$131,875 maximum) to pay grade 904E (minimum \$132,805 to \$188,226 maximum). The resolution authorizes the reallocation of the following positions from 903E to 904E:

Chief Human Resources Officer
Exec Dir Admin Services
Exec Dir Transportation
Director Budget and Mgmt
Exec Dir Health Human Svcs

- B. The reallocation of the five positions will result in a direct cost since all positions will earn additional income under the 904E paygrade. Milwaukee County General Ordinance 17.055 addresses the subsequent rate of pay for individuals in positions with pay grades that contain step increases that were reallocated by the County Board, but does not address the subsequent rate of pay for individuals within pay grades that have minimums and maximums only. For purposes of this fiscal note, it is assumed that these individuals are placed at the minimum salary point in the reallocated pay grade. Therefore, assuming that this action is effectuated as of November 14, 2021 (pay period 24), and that all five positions remain filled at that time, reallocation of the five positions to the minimum salary point in 904E paygrade will cost \$1,109 in 2021 and \$11,867 in 2022. For illustrative purposes, assuming that all five positions were allocated to the midpoint of the 904E paygrade the cost would be \$15,049 in 2021 and \$161,021 in 2022.

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.

- C. The total budget for all positions was \$707,371, which is \$6,300 over the projected actual salary and social security dollars for all positions of \$701,071. Therefore, any costs above \$6,300 for any of the positions would need to be funded by excess salary appropriations or other surplus appropriations within the respective departments. Additional savings may be available to offset these costs due to vacancies within these positions. For 2022, departments will need to increase their salary appropriations by the actual change in salary for each of the five positions.
- D. The fiscal estimates were created using an employee roster at a specific point in time. Employees affected by these proposed changes may leave the employment of the County, may be promoted, or have some other action that occurs that could affect the dollar amounts estimated here. Additionally, FICA was assumed to be 7.65 percent.

As stated previously, this fiscal note assumes that the individuals in the positions reallocated will be placed at the minimum point of the newly reallocated pay grade. Additional costs would be incurred if these individuals were placed at a higher point in the pay grade.

This estimate assumes that this resolution will be adopted by the County Board at its next regularly scheduled meeting in October 2021 and effectuated by pay period 24.

This fiscal note also assumes no impact on the County's pension liability. Actuarial analyses include a broad projection of pay increases for each individual that are used to develop the total benefits to be paid out by the pension system and are based off a 3.5 percent annual growth rate. While these changes may increase the overall growth rate, based on the estimates provided here, it is not anticipated that the increase in salaries will have a calculable impact on the County's total current payroll for 2021. Therefore, this action will have a de minimis impact on the County's pension liability.

Department/Prepared By Cynthia J Pahl

Authorized Signature Cynthia J Pahl



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required