

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** August 1, 2017

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution reallocating certain departmental/division leadership positions to match State pay grades for similar positions

**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<br>(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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$9,504	\$41,182
	Revenue	\$0	\$0
	Net Cost	\$9,504	\$41,182
<b>Capital Improvement Budget</b>	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. <sup>1</sup> 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 will reallocate five positions (four currently filled) to new pay grades that match the corresponding State of Wisconsin positions. These five positions were reallocated to pay grade 903E (minimum \$103,236.60 to \$126,111 maximum) in File No. 17-569, adopted July 27, 2017. The resolution reallocates the following positions to new pay grades that are unique, but are anticipated to be in pay grade 903E based on final passage of File No. 17-569:
- DAS Director
  - DOT Director
  - DHHS Director
  - HR Director
  - DAS Budget Director

The corresponding pay grades are as follows:

1. DAS – Director	(\$103,480 to \$170,747)
2. Transportation Director	(\$95,826 to \$158,122)
3. DHHS Director	(\$103,480 to \$170,747)
4. HR Director	(\$88,712 to \$146,390)
5. DAS Budget Director	(\$82,139 to \$135,533)

- B. The reallocation of the five positions above will result in a direct cost from the increase in salaries of the four incumbents in the positions of DAS Director, DOT Director, HR Director and DAS Budget Director. Assuming that this resolution does not become effective until September 28,

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<sup>1</sup> 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.

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

2017, and implementable beginning pay period 22, this will result in a cost of \$8,828 for salary dollars and \$675 for social security in 2017. For 2018, the cost will be \$38,256 for salary dollars and \$2,927 for social security.

However, if File No. 17-569 does not get effectuated, than the fiscal impact of this resolution is \$0 for 2017 and 2018 since the positions are already at their current salary (in pay grade 904E) and no reallocation is necessary.

- C. This action results in a budgetary savings since it is assumed that these positions were budgeted at the salary being proposed by this resolution, with the exception of the Budget Director, whose salary would be lower than the 2017 adopted budget by approximately \$12,000.
- D. The fiscal estimates were created using an employee roster at a specific point in time. Employee's affected by these 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. It was assumed that upon reallocation, these affected employees would be returned to their salaries prior to the implementation of File No. 17-569 or as close as possible there to. Additionally, FICA was assumed to be 7.65 percent.

This estimate assumes that this resolution will be adopted by the County Board at its next regularly scheduled meeting in September 2017 and effectuated by pay period 22.

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 2017. Therefore, this action will have a de minimis impact on the County's pension liability.

Department/Prepared By CJ Pahl

Authorized Signature Scott B. Manske 

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No  Not Required