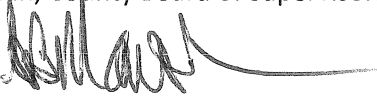


COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: July 1, 2013

TO: Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller 

SUBJECT: Fiscal Impact – 2012 Collective Bargaining Agreement with the Milwaukee Building & Trades Construction Council

Under Wisconsin Employment Relations Commission (WERC) rules and Statute Statute, 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 & Trades Construction Council (Trades) was January 1, 2012. The last day of their previously negotiated contract was December 31, 2011. The bargaining unit was recertified, according to the Milwaukee County Department of Labor Relations.

2012 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2012 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 14 2011 (June 25, 2011). At that time, the bargaining unit had 76 members who were actively employed. The annual wages of the members were calculated based upon their existing wage rates and were then multiplied by the CPI applicable to bargaining years beginning on January 1, 2012 or 2.01 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$105,603.

2012 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the Trades bargaining unit, the base wage rates will not increase in 2012. The determination of compliance with Base Wage Limit uses the proposed 0 percent increase annualized for a one-year period. As a result, the base wage increase will result in a total salary lift for 2012 of \$0 for the Trades bargaining unit, which is within the maximum base wage increase allowable. Calculation of the maximum base wage increase for the bargaining unit was made in accordance with the WERC rules. No provision was made for any litigation that may have occurred subsequent to the issuance of those rules, and we have no knowledge of any such litigation. Representatives of Labor Relations, Corporation Counsel, Department of Administrative Services, Office of the Comptroller, and outside legal counsel have discussed and agreed to the definition, negotiation, and calculation of base wages.

Impact of 2012 Wage Increase on 2013 Budget and 2014 Budget

Based upon the proposed agreement with the Trades bargaining unit, the base wage rates will not increase for 2012. The cost of the wage increase for 2012, using the contract effective date of January 1, 2012, would be \$0 and therefore has no effect on the 2013 Adopted Budget or future budgets.