


**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: October 10, 2016

TO: Supervisor Theo Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller 

SUBJECT: Fiscal Report on the Proposed Agreement with the Milwaukee County Firefighters Association

The following provides a summary of the fiscal impact of the proposed Milwaukee County Firefighters Association contract amendment for the calendar year 2016. It provides an estimate of the fiscal impact of the proposal; the actual fiscal impact may be greater than or less than the impact that is estimated below. This is a standalone estimate and does not take into consideration the costs estimated at the time the original contract was approved.

The table below presents the key wage and benefit elements of the proposed contract.

Table 1 Wage & Benefit Proposals	
Period Covered by Contract	January 1, 2015 - December 31, 2016
	Proposal
1 Wage Rate Increases	1% Effective 1/3/2016

The following table presents the contract cost and total lift for 2016:

Table 2 Proposed Contract Cost	
	Proposal 2016
1 Wage Rate Increases	
Base Wage Increase - 1% effective 1/3/2016	\$ 10,732
Total Wage & Benefit Change	\$ 10,732
Amounts Used in Calculations:	
Number of Positions	17.00
Full-time equivalents including Overtime	27.64
Total calculated wages	\$ 1,147,463
Average wage rate/hour	\$ 14.21
Total base wages	\$ 1,136,731
Annual lift percentage wages on base wage	0.94%
Annual lift percentage all costs on base wage	0.94%

CHANGES IN PROPOSED CONTRACT:

Following are the changes that are in the proposed contract agreement for with the Firefighters:

1. Wage Rate Increases

The proposed agreement provides for a wage increase of 1 percent effective January 3, 2016.

Item	Date Effective	Description	2016 Annual Cost/(Savings)
1	January 3, 2016	Base Wage Increase – 1%	\$10,732

For purposes of this fiscal note, the wage increase is implemented as of the second pay period in 2016, which is effective January 3, 2016. The last wage increases given to the Firefighters were in 2015, which provided a \$500 base wage increase and in the 2012-2014 contract, which provided a 3.0 percent increase in 2012, two 1.5 percent increases in 2013 and two 1.25 percent increases in 2014.

The wage costs do not include the cost of step increases.

Table 3			
Budgetary Impact			
		Proposal	
		2016	
Contract Cost / (Savings)			
	Base Wage Increase - 1% effective 1/3/2016	\$	10,732
	Total Cost	\$	10,732
Funding Sources			
	Current Year Appropriations	\$	5,952
	Total Additional Resources Required:	\$	4,780

Wage Lift for 2016

The following table projects the cumulative dollar change and percentage lift in costs for the proposed contract. This is the minimum cost the County will continue to pay in future years

barring any changes within successor agreements. The contract results in a total cumulative lift of 0.94 percent for wages alone and 1.07 percent including costs for FICA and pension.

Table 4			
Cumulative Lift (as if all costs/savings were annualized)			
	Proposal		
	Cumulative Total Lift	Cumulative Lift %	Cost/ (Svgs) Per Active
Base Wage Increase - 1% effective 1/3/2016	\$ 10,732	0.94%	\$ 631
Subtotal Wages	\$ 10,732	0.94%	\$ 631
FICA	\$ 821	0.07%	\$ 48
Pension	\$ 610	0.05%	\$ 36
Subtotal Wages / FICA / Pension	\$ 12,163	1.07%	\$ 715
Total Cost	\$ 12,163	1.07%	\$ 715
Number of Positions		17.00	
Full-time equivalents including Overtime		27.64	
Total calculated wages		\$ 1,147,463	
Average wage rate/hour		\$ 14.21	
Total base wages		\$ 1,136,731	
Cumulative Lift Pcntg Wages on Base Wage		0.94%	
Cumulative Lift Pcntg All Costs on Base Wage		1.07%	

Administrative Costs Associated with Implementing this Contract

To implement this contract, personnel in the Office of the Comptroller will have to input the rate changes into the Ceridian HPW System. For wage rates, the implementation will require internal time and effort. The number of personnel hours to complete this task has not been determined yet, but other projects may be delayed to implement this contract.

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.