

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: August 20, 2020

TO: Marcelia Nicholson, Chairperson, County Board of Supervisors

FROM: Scott B. Manske, Comptroller
Cynthia (CJ) Pahl, Financial Services Manager, Office of the Comptroller

SUBJECT: Fiscal Impact – 2020 Collective Bargaining Agreement with the Milwaukee Building & Construction Trades 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 & Construction Trades Council (MBCTC), AFL-CIO, was January 1, 2020. The last day of their previously negotiated contract was December 31, 2019. The bargaining unit was recertified in 2020.

2020 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2020 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 15 2019 (ending July 13, 2019). At that time, the bargaining unit had 76 members who were actively employed¹. 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, 2020, or 2.07 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$116,680; this is the maximum amount that can be paid in additional base wages in 2020 and can be paid out however agreed upon by the union and the County.

2020 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 2 (beginning December 29, 2019) for all members. The base wage increase results in a total salary lift for 2020 of \$57,623 for the bargaining unit, which is \$59,057 below 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. The Office

¹ For purposes of this fiscal note, the MBCTC bargaining unit consists of all represented employees not under control of the Milwaukee County Mental Health Board.

of the Comptroller and outside legal counsel have discussed and have agreed to the definition, application and calculation of base wages.

Impact of 2020 Wage Increase on 2020 Budget and 2021 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 2 (beginning December 29, 2019). The cost of the wage increase for 2020, using the contract effective date, would be as follows:

2020 Salary Increase	\$	57,623
FICA	\$	4,408
Net cost	\$	62,031

The 2020 Adopted Budget included appropriations for a 1.0 percent wage increase for all employees, effective Pay Period 2 (beginning December 29, 2019), or approximately \$63,481 in additional salary dollars. Therefore, there is a \$6,306 savings based on the proposed agreement for the current year.

2020 Budgeted Salary Increase	\$	63,481
FICA	\$	4,856
Net Budgeted Amount	\$	68,337
Net Actual Cost of Bargained 1%	\$	62,031
Savings / (Cost)	\$	6,306

Since this wage increase inflates the base wage of these employees, it would therefore impact each subsequent year budget. The budget impact on 2021, assuming the same pension percentages, would be as follows:

2021 Salary Increase	\$	57,623
FICA	\$	4,408
Net cost	\$	62,031



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