

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: April 18, 2024

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Jennifer Folliard, Director of Audits, Audit Services Division

Subject: From the Director of Audits, submitting an informational Status Report on compliance with the County's Minimum Wage Ordinance

File Type: Informational Report

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**REQUEST**

This report is for informational purposes. There is no request at this time.

**POLICY**

In March 2014, the Milwaukee County Board of Supervisors created Section 111 of the Milwaukee County Code of Ordinances which established a Minimum Wage Ordinance (MWO). Section 111 applies to both County employees and certain contractors doing business with Milwaukee County. Section 111 provides the framework for County departments to follow when contracting for services covered by the MWO and for subsequent contract monitoring. Our office reviews vendors' compliance with the ordinance.

Wisconsin State Statutes:	59.255(2)(i)
Milwaukee County Code of General Ordinances:	111

**BACKGROUND**

We issued a three-year review of the Minimum Wage Program in December of 2017. The associated resolution indicating concurrence with the report recommendations was adopted by the County Board in February 2018.

After the adoption of the resolution, 2017 Wisconsin Act 327, based upon Assembly Bill 748 was signed and became effective on April 18, 2018. It repealed Wis. Stat. 104.001(3), which permitted a local government (county, city, village, or town) to enact and enforce ordinances mandating a minimum wage for its own employees and employees performing work under a contract for provision of services or funded by financial assistance from the local governmental entity. Act 327 prohibits Milwaukee County from entering any new contracts requiring compliance with the minimum wage. It does not negate existing contracts with that requirement. As a result, we have reported annually on MWO compliance for existing contracts subject to the MWO provision. This report covers calendar year 2023.

The County's Minimum Wage Program has two rate structures depending on when the contract was executed. Given the State legislative changes, rates for existing contracts are frozen at the amount as of April 2018, which was \$12.07 for contracts entered into prior to November 3, 2016, and \$13.01 for those entered into after November 3, 2016. Table 1 displays the rates beginning in 2014.

<b>Table 1</b>				
<b>Minimum Wage Rates for Milwaukee County Contracts</b>				
<b>Before and After November 3, 2016</b>				
	MW rates for contract executed BEFORE November 3, 2016		MW rates for contract executed ON or AFTER November 3, 2016	
Year	Effective Date	Hourly Rate	Effective Date	Hourly Rate
2014	6/1/2014	\$11.47	N/A	N/A
2015	3/1/2015	\$11.66	N/A	N/A
2016	3/1/2016	\$11.68	11/3/2016	\$11.68
2017	3/1/2017	\$11.82	1/1/2017	\$12.35
2018	3/1/2018	\$12.07	1/1/2018	\$13.01
<del>2019</del>	<del>3/1/2019</del>	<del>\$12.38</del>	<del>1/1/2019</del>	<del>\$13.67</del>
<del>2020</del>	<del>3/1/2020</del>	<del>Unknown</del>	<del>1/1/2020</del>	<del>\$14.34</del>
<del>2021</del>	<del>3/1/2021</del>	<del>Unknown</del>	<del>1/1/2021</del>	<del>\$15.00</del>

### Existing compliance with Chapter 111 from January to December of 2023

While the state legislation effectively disallows any new contracts to require compliance with Chapter 111, we have continued to require submittal of payroll information to our office for those County contracts which contained a minimum wage requirement prior to the implementation of Act 327 in April 2018.

There was one contract subject to the Minimum Wage Ordinance for the full year in 2023 and two contracts subject through the end of October. These vendors provided payroll information with an average employee count of 155. Table 2 lists the vendors' names, the relevant department, the type of service and the average number of employees. We found all vendors to be in compliance with the ordinance. We reviewed the payroll data for employees and found that all employees earned \$15.00 or more per hour.

<b>Table 2</b>			
<b>Active MWO contracts with Type of Service and Average number of Total Employees</b>			
<b>Vendor</b>	<b>Department</b>	<b>Type of Service</b>	<b>Employees</b>
First Transit*	MCTS	Paratransit Transportation	103
Transit Express*	MCTS	Paratransit Transportation	33
Service Systems Associates	Zoo	Concession	19
<b>TOTAL</b>			<b>155</b>

\*Through October 31, 2023 only.

This status report is informational. Due to only one contract remaining with a minimum wage requirement that historically has employed 20 or less employees, we will continue to monitor compliance and will submit a report to the County Board should we encounter any issues with compliance until the conclusion of the contract which is currently scheduled for 2032.

Related File No's:	23-512, 22-685, 21-435, 20-617, 19-509, 18-754, 18-50, 16-609, 15-786, 15-529, 13-955
Associated File No's (Including Transfer Packets):	None
Previous Action Date(s):	File No. 18-50 was adopted February 1, 2018 and signed by the County Executive February 8, 2018.

**ALIGNMENT TO STRATEGIC PLAN**

Describe how the item aligns to the objectives in the [strategic plan](#):

3B: Enhance the County's fiscal health and sustainability.

While the County's Audit Services Division performs work related to many of the County's Strategic Plan objectives, the Division's work routinely seeks to enhance the County's fiscal health and sustainability. Monitoring to ensure that both Milwaukee County employees and employees of Milwaukee County contractors are paid the appropriate minimum wage reinvests the County funds into the community.

3C: Dismantle barriers to diverse and inclusive communities.

The language included in the adoption of the Minimum Wage Ordinance noted that the rates of impoverished population, cost of living, and the increased number of working poor in Milwaukee County are a matter of local concern and holding the County and vendors accountable to the payment of the minimum wage benefits results in increased income to disadvantaged residents of Milwaukee County.

**FISCAL EFFECT**

None

**VIRTUAL MEETING INVITES**

Jennifer Folliard, Director of Audits  
Molly Pahl, Deputy Director of Audits

**PREPARED BY:**

Molly Pahl, Deputy Director of Audits

**APPROVED BY:**

Jennifer Folliard, Director of Audits

**ATTACHMENTS:**

None

cc: Liz Sumner, Milwaukee County Comptroller  
Audit Committee Members  
David Crowley, Milwaukee County Executive  
Aaron Hertzberg, Director, Department of Administrative Services  
Scott Brown, Acting Corporation Counsel, Office of Corporation Counsel

Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Mary Jo Meyers, Chief of Staff, Milwaukee County Executive  
Regina Flores, Director, DAS-Procurement Division  
Stephen Cady, Research & Policy Director, Office of the Comptroller  
Ciara Miller, Research Analyst, Office of the Comptroller  
Janelle Jensen, Legislative Services Division Manager, Office of the Milwaukee County Clerk  
Ethan Masarik, Committee Coordinator, Office of the Milwaukee County Clerk