

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** May 10, 2018

Original Fiscal Note ☒

Substitute Fiscal Note ☐

**SUBJECT:** A resolution By the Committee on Personnel, relating to an informational report from the Chief Human Resources Officer, Department of Human Resources, a pay equity plan for Airport maintenance workers at General Mitchell Airport

### 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.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$213,303	\$426,606
	Revenue	\$213,303	\$426,606
	Net Cost	\$0	\$0
Capital Improvement Budget	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.
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- A. Approval of this By the Committee resolution will authorize and direct the Chief Human Resources Officer, Department of Human Resources, to implement a pay equity plan for Airport Maintenance Workers, effective Pay Period 13 beginning June 3, 2018. The pay equity plan was developed by the Director of Compensation & HRIS and outlined in a memo dated May 7, 2018 and attached to this file. This fiscal note should be read in conjunction with memo.
  - B. This fiscal note is based on the fiscal impact outlined in the memo from the Director of Compensation & HRIS that calculated the impact to be \$396,290 on an annualized basis. It was determined that Federal Insurance Contributions Act (FICA) taxes were not included in this calculation. Therefore, the annualized amount is increased by \$30,316, or 7.65%, to \$426,606. For 2018, the fiscal impact for the last 13 pay periods of the year (half a year) is \$213,303.
  - C. Airport expenditures are offset with Airline Master Lease Agreement revenues and other non-tax levy revenue sources. The Airport is holding funds (and offsetting revenues) related to the 0.75% expenditure reduction included in the 2018 Adopted Budget. The amount of the reduction allocated to the Airport is \$359,876. The additional cost related to the pay equity plan for 2018, \$213,303, can be covered under the approved spending plan initially approved prior to the reduction under the Master Lease Agreement. It should also be noted that the Airport received \$27,980 in funding for employee merit awards for 2018, which was offset with outside revenue for no net tax levy impact. These funds are also

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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.

available to partially offset the cost for 2018. For 2019, the added cost would need to be offset by Airport operating revenues as no tax levy is used to operate the facility.

- D. No assumptions were used. The figures used in this fiscal note were provided by the Department of Human Resources.

Department/Prepared By Steve Cady, Research and Policy Director, Office of the Comptroller

Authorized Signature *Stephen J. Cady*

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CBDP Review?<sup>2</sup> ☐ Yes ☐ No ☒ Not Required