

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 Association of Milwaukee County Attorneys

Under Wisconsin Employment Relations Commission (WERC) rules and 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 Association of Milwaukee County Attorneys 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 50 members who were actively employed. The annual wages of the members were calculated based upon their wage rates at that time 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 \$102,454; 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 \$49,054 for the bargaining unit, which is \$53,400 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

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	\$ 49,054
FICA	\$ 3,753
Net cost	\$ 52,807

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 \$51,553 in additional salary dollars. Therefore, there is a \$6,443 savings based on the proposed agreement for the current year.

2020 Budgeted Salary Increase	\$ 51,553
FICA	\$ 3,944
Net Budgeted Amount	\$ 55,497
Net Actual Cost of Bargained 1%	\$ 49,054
Savings / (Cost)	\$ 6,443

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	\$ 49,054
FICA	\$ 3,753
Net cost	\$ 52,807



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