



**City
of
Milwaukee**

*INTERDEPARTMENTAL CORRESPONDENCE
LEGISLATIVE REFERENCE BUREAU*

M E M O

To: Ron Leonhardt, City Clerk

From: Barry Zalben, Manager, Legislative Reference Bureau

Re: Estimated first-year savings of a 15-member Common Council; estimated savings 2004-2012

Date: March 18, 2003

The following estimates have been prepared in response regarding the fiscal impact of decreasing membership of the Common Council from 17 to 15. These estimates are prepared both for first-year savings commencing in 2004, and estimating total savings over an 8-year period, 2004-2012.

Estimated First-Year Savings

A. Personnel Costs

1. Alderman

Salary:	\$67,623
Fringes:	<u>22,316</u>
Total	\$89,939 X 2 = \$179,878

2. Legislative Assistant

Salary:	\$35,729
Fringes:	<u>11,791</u>
Total	\$47,520 X 2 = \$95,040

Subtotal, personnel savings - \$274,918

B. Nonpersonnel costs	
1. Private transportation allowance	\$ 3,916
2. Private telephone allowance	180
3. Cellular phone service	672
4. Supplies	828
5. Services	34,500

Subtotal, nonpersonnel savings $\$40,096 \times 2 = \$80,192$

Grand Total, First-year savings - \$355,110

Assumptions

1. Common Council members' salaries for the 2000-2004 term are based on the fifth step of pay grade 10 for the year 2000, and will increase by one step (3.1%) annually until the end of the term. Then, at the beginning of the 2004-2008 term, Council members' salaries will be reset on the fifth step of pay grade 10 for the year 2004. Pay for year 2004 is based on pay increases granted to management employees; see note #3.

2. Legislative assistant salaries are based on the first step of pay grade 2 as estimated for 2004; see note #3.

3. 2003 and 2004 "across the board" increases for management employees are estimated at 2.75% each year.

4. Fringe benefit costs are 33% of salary.

5. Private transportation and private telephone allowances, which are provided to Council members per the Milwaukee Code, are estimated to increase 2.5% annually between 2000 and 2004.

6. Service and supply costs are based on costs developed initially for a 1991 memo and subsequently updated in 1998, 2000 and 2001.

Estimated Savings, 8-year Period 2004-2012

Assumptions

1. The Common Council will not consider changing the number of council member districts until after the next decennial census; census data will be released in 2011.

2. Savings (cost avoided) after the first year will conservatively increase by 2.75% annually (based on salary step increases of 3.1% annually and lesser increases for nonsalary expenses), yielding savings of almost \$3,130,000; note, the 8-year period calculated is the third Tuesday in April 2004 to the third Tuesday in April 2012.

2004	\$ 355,110
2005	364,876
2006	374,910
2007	385,220
2008	395,813
2009	406,698
2010	417,882
2011	<u>429,374</u>
	\$3,129,883

BJZ/cac
3/18/2003
memo to Ron