

Reply to Common Council File No. 000983

From DOA-Budget and Management Division

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Ref: 00003

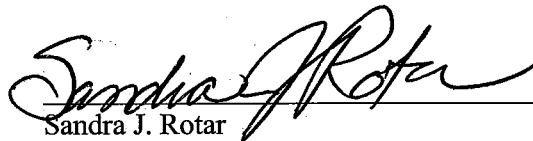
Common Council File 000983 contains a resolution to ratify and confirm the final agreement between the City of Milwaukee and Public Employees' Union Local #61, LIUNA, AFL-CIO/ CLC. The agreement covers wages, hours and conditions of employment for the period of January 1, 2001 to December 31, 2002. Local #61 represents 350 city employees.

The agreement provides annual salary increases of 2.75% in 2001 and 3.0% in 2002. **The estimated costs of these increases are \$408,120 in 2001 and \$865,584 in 2002 (includes salary increases, overtime and rollups).** The cumulative cost over the two-year period is \$1,273,704. Funds for these costs are included in the Wages Supplement Fund.

Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$167,076 over the two-year time period. Although the cost over the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual costs depends on the actuarial assumptions an pension fund earnings.

Other contract changes include: an increase in the contribution of employees enrolled in the Basic Plan to \$50 per month for single enrollment and \$100 per month for family enrollment (from \$40 and \$80), an increase in Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000, an increase in the optional insurance coverage maximum amount to either 1.5 times the employees' annual basic salary rounded to the nearest \$1,000 or \$100,000, whichever is greater, an increase in shift and weekend differentials by 5 cents per hour, an increase in the maximum reimbursement for tuition and textbooks to \$1,000 annually starting in 2002, an increase in safety shoe allowance to \$115 in 2002, a one-time protective clothing/training incentive paid to eligible employees, and a revision of years needed for additional vacation for main office employees. **The net effect of these changes is anticipated to be \$41,359 over the two-year contract.**

RECOMMENDATION: APPROVE COMMON COUNCIL FILE 000983 THE FINAL LABOR AGREEMENT BETWEEN THE CITY AND LOCAL #61.



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Budget and Management Team Leader

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