

Reply to Common Council File No. 040818

From DOA-Budget and Management Division

December 14, 2004

Ref: 04003

Common Council File 040818 contains a resolution to approve, ratify and confirm final agreements between the City of Milwaukee and Joint Bargaining Unit Local 195 IBEW, ALF-CIO. This file includes two separate agreements that cover the periods of January 1, 2003 through December 31, 2003 and January 1, 2004 through December 31, 2006. Approximately 26 city employees are represented by this bargaining unit.

The agreements provide annual salary increases of 3.00% for 2003 through 2006. **The estimated costs of these increases (salaries, overtime, life insurance, term leave, worker's compensation and unemployment compensation rollups) are \$30,924 in 2003, \$64,890 in 2004, \$99,874 in 2005 and \$135,908 in 2006.** The cumulative cost over the four years is \$331,596.

Pension and Annuity and FICA costs related to the salary increases are estimated at \$41,013 over the life of the contracts. Although the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual budget impact depends on the actuarial assumptions and pension fund earnings. There are two pension benefit changes in this contract: the extension of the sunset provision for military credit to December 31, 2006 and the expansion of service retirement allowance to include hours served as a seasonal laborer, for a cost of \$11,156 through 2006.

A combination of health insurance changes are projected to save the city \$12,618 over 2005 and 2006. The Basic Plan employee contribution increases to \$60 per month for single enrollment and \$120 per month for family enrollment (from \$50 single/\$100 family) effective January 2005 and to \$75 single/\$150 family effective January 2006. For employees who retire on or after January 1, 2005, Basic Plan enrollment will cost \$30 per month for single and \$60 per month for family coverage. For other plans, the city will pay 100% of the lowest plan premium toward the retiree cost (same as active employees). This contract also extends health insurance benefits to registered domestic partners.

Other significant changes include:

- Decreases in the threshold for years of creditable service to earn additional vacation time.
- An increase in Tuition Reimbursement benefit in 2006 from \$1,000 to \$1,200 per year.
- Continuation of the Sick Leave Incentive Program through Pay Period 26, 2006.
- Miscellaneous changes to funeral leave and life insurance coverage.

Any ordinance changes necessary for the implementation of this contract will be discussed in separate Common Council File(s).

**RECOMMENDATION: ADOPT THE RESOLUTION INCLUDED IN THIS
FILE APPROVING THE 2003 AND 2004-2006 LABOR AGREEMENTS WITH
JOINT BARGAINING UNIT LOCAL 195 IBEW, ALF-CIO.**

A handwritten signature in cursive script, appearing to read "Jennifer C. Gonda", written over a horizontal line.

Jennifer C. Gonda
Fiscal Planning Specialist

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