

Reply to Common Council File No. 001000

From DOA-Budget and Management Division

January 29, 2003

Ref: 00003

Common Council File 001000 contains a resolution to ratify and confirm the final agreement between the City of Milwaukee and the Milwaukee Police Association, for the period of January 1, 2001 through December 31, 2003. The Milwaukee Police Association represents approximately 1,645 city employees.

This agreement provides annual salary increases of 3.25% for 2001, 2002 and 2003. **The estimated costs of these increases (salary increases, holiday and overtime rollups) are \$3,078,940 in 2001, \$6,257,945 in 2002 and \$9,540,268 in 2003.** The cumulative cost over the three-year life of the contract is \$18,877,153.

Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$1,554,342 over the life of the contract. Although the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual cost depends on the actuarial assumptions and pension fund earnings. **The only pension benefit change made in this contract is the elimination of the sunset provision on credit for military service.**

Other enhancements include: An increase to \$45,000 for the coverage paid by the City for life insurance (an increase of \$6,000); employee eligibility to purchase, at no cost to the City, additional life insurance from an insurance carrier determined by the MPA, an increase in the contribution of employees enrolled in the Basic plan to \$60 per month for single enrollment and \$120 per month for family enrollment (from \$25/\$50), an increase in the Major Medical lifetime maximum for employees enrolled in the basic plan to \$500,000, an increase in the annual "Educational Pay" benefits by \$20, an increase in the tuition and textbook reimbursement by \$150 (to \$1,000 per year), an increase in the monthly parking allowance for PAB employees by \$10.00 a change in the Internal Investigation procedures, a revision of years needed for additional vacation, and minor revisions to other contract clauses. The net effect of these changes is anticipated to be minimal (\$484).

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 A 2001 – 2003 LABOR AGREEMENT WITH THE MILWAUKEE POLICE ASSOCIATION.



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