



Office of the Comptroller
December 14, 2009

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Ref: Pay Admin

The Honorable Common Council
Committee on Finance & Personnel
City of Milwaukee

Dear Committee Members:

Re: Common Council File No. 070009

I have reviewed the fiscal note in the above file, which reports the impact of the wage agreement prepared by the Labor Negotiator for the SEIU Healthcare District 1199 WI / Staff Nurses Council for 2007-2009 and 2010-2011. The total incremental costs as developed by my staff for the January 1, 2007 through December 31, 2009 agreement by category are:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Salaries – Base pay	\$ 62,640	\$ 110,700	\$ 175,860
Salary Rollups – Workers' Comp, Unemploy. Comp, Terminal Leave, Overtime, and Group Life	4,360	7,705	12,240
Pension & FICA	8,237	14,557	23,126
Health Ins. Contribution	---	---	(4,080)
Wellness Cost	---	---	---
Pension Changes and Sunset for Military	3,161	3,209	3,272
Auto Allowance	---	---	---
Health Plan Co-Pays	---	---	(3,688)
Total Contract Costs:	\$ 78,398	\$ 136,171	\$ 206,730

The total incremental costs as developed by my staff for the January 1, 2010 through December 31, 2011 agreement by category are:

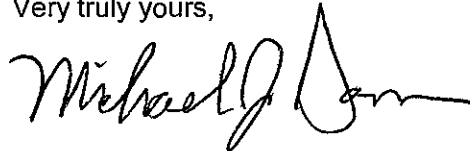
	<u>Year 1</u>	<u>Year 2</u>
Salaries – Base pay	\$ ---	\$ ---
Salary Rollups – Workers' Comp, Unemploy. Comp, Terminal Leave, Overtime, and Group Life	---	---
Pension & FICA	---	---
Early Retirement	73,000	---
Wellness Program	16,380	---
Employee Pension Contributions	(18,275)	(36,550)
Total Contract Costs:	\$ 71,105	\$ (36,550)

While we have reviewed all of the items, the Labor Negotiator's pension costs were developed by an actuary. We are not in a position to recompute these figures, as we do not have the appropriate database. We have found the balance of the figures in the note to be reasonable. The figures developed by the Labor Negotiator for 2007-2009 agreement are adequate for use in the file.

The 2010-2011 agreement does not call for cost of living increases or no pay step advancements. These provisions do not increase or decrease salaries over 2009 rates. Further, Article 22, Pension Benefits, call for "Employees hired on or after 01/01/2010 shall be required to pay member contributions equal to 5.5%". Currently, this cost is entirely borne by the City. While it is unknown how many nurses will be hired, it is unreasonable to assume that the City will not hire any employees in 2010 and 2011. Since 01/01/2007, the City hired 18 nurses. Using a three year average for hires, the savings for the pension contributions are significant enough to report.

Due to the timing of this contract's settlement, the Wellness Program expenditures could not reasonably be borne in 2009, instead my office found it prudent to place these expenditures in 2010.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael J. Morics", written in a cursive style.

W. MARTIN MORICS
Comptroller

WMM:JB

UN22 Staff Nurses 2007-2011

c: Labor Relations
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