



City of Milwaukee Fiscal Impact Statement

A Date 7/19/2022 File Number 220468 Original Substitute
 Subject A substitute ordinance relating to city wage requirements

B Submitted By (Name/Title/Dept./Ext.) Tea Norfolk, Fiscal Planning Specialist, Legislative Reference Bureau, x8012

C This File Increases or decreases previously authorized expenditures.
 Suspends expenditure authority.
 Increases or decreases city services.
 Authorizes a department to administer a program affecting the city's fiscal liability.
 Increases or decreases revenue.
 Requests an amendment to the salary or positions ordinance.
 Authorizes borrowing and related debt service.
 Authorizes contingent borrowing (authority only).
 Authorizes the expenditure of funds not authorized in adopted City Budget.

D Charge To Department Account Contingent Fund
 Capital Projects Fund Special Purpose Accounts
 Debt Service Grant & Aid Accounts
 Other (Specify) _____

	Purpose	Specify Type/Use	Expenditure	Revenue	
E	Salaries/Wages	Increase Living Wage to \$15/hr	\$16,000.00	\$0.00	
			\$0.00	\$0.00	
	Supplies/Materials		\$0.00	\$0.00	
			\$0.00	\$0.00	
	Equipment		\$0.00	\$0.00	
			\$0.00	\$0.00	
	Services		\$0.00	\$0.00	
			\$0.00	\$0.00	
	Other		\$0.00	\$0.00	
			\$0.00	\$0.00	
		TOTALS		\$16,000.00	\$ 0.00

F

The City's Living Wage applies to all non-professional service contracts above \$5,000. The current Living Wage is set at \$12.21 per hour. The City requires that City employees be paid a minimum of \$15 per hour.

This ordinance would provide for the same minimum rate of pay for contracts executed by DOA - Purchasing as paid to City employees. The majority of contractors' employees already earn at least \$15 per hour. However, approximately 38% of vendors have at least one employee making less than \$15 per hour.

An increase in the Living Wage would increase wages for approximately 74 employees at an average of \$1.30 per person per hour. The fiscal impact for vendors who would be required to increase wages averages approximately \$5,000 annually. Similarly, two SBE vendors would be impacted by the increase (11 employees at an increase average of \$1.73 per hour per person).

The total fiscal impact for all vendors and SBE vendors increasing wages would be \$64,000 annually. This calculation assumes the cost to the vendors would be passed along to the City.

The timeframe for which this ordinance would be in effect would be approximately 3 months. Accordingly, the estimated financial impact is \$16,000. ($64,000 / 12 = 5,333.33$. $5,333.33 \times 3 = \$16,000$).

Assumptions used in arriving at fiscal estimate. _____

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

- | | | | |
|---|------------------------------------|--------|-------|
| <input checked="" type="checkbox"/> 1-3 Years | <input type="checkbox"/> 3-5 Years | 64,000 | _____ |
| <input type="checkbox"/> 1-3 Years | <input type="checkbox"/> 3-5 Years | | _____ |
| <input type="checkbox"/> 1-3 Years | <input type="checkbox"/> 3-5 Years | | _____ |

H

List any costs not included in Sections D and E above. N/A

I

Additional information. _____

J

This Note Was requested by committee chair.