

Reply to Common Council File No. 031029
From DOA-Budget and Management Division

March 31, 2005

Ref: 05003

Common Council File 031029 contains a resolution to ratify and confirm the final agreement between the City of Milwaukee and the Milwaukee Police Association, Local #21, I.U.P.A., for the period of January 1, 2004 through December 31, 2006. The Milwaukee Police Association represents approximately 1,645 city employees.

This agreement provides annual salary increases of 3.0% for 2004, 2005 and 2006. **The estimated costs of these increases (salary, holiday, overtime, life insurance, term leave, worker's compensation and unemployment compensation rollups) are \$3,300,012 in 2004, \$6,956,681 in 2005 and \$10,326,932 in 2006.** The cumulative cost over the three-year life of the contract is \$20,583,625.

Pension costs related to the salary and certification pay increases are estimated at \$1,613,493 over the life of the contract. This number reflects pension costs associated with the increase to certification pay by \$400 in 2004, \$100 in 2005, and \$60 in 2006 (total cost of \$2,630,160). 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. Police Liaison Officers will receive a pensionable pay increase of \$75, which is anticipated to cost \$18,000 over the life of the contract.

Other changes include:

- An increase in the contribution of employees enrolled in the Basic Plan in 2006 to \$75 per month for single enrollment and \$150 per month for family enrollment (from \$60/\$120), which is anticipated to save \$124,740 in benefit costs.
- An increase in tuition benefits to \$1200.
- An increase in the monthly parking allowance for PAB employees (\$125).
- A change to duty disability cases involving mental injury – these persons will no longer go to the Medical Panel.

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 2004-2006 LABOR AGREEMENT WITH THE MILWAUKEE POLICE ASSOCIATION, LOCAL #21, I.U.P.A., AFL-CIO.


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