

CITY OF MILWAUKEE FISCAL NOTE

A) DATE: October 5, 2001

FILE NUMBER: 010543

ORIGINAL FISCAL NOTE SUBSTITUTE

SUBJECT: Resolution approving a testing procedure for entry-level positions of fire fighter and settlement of claims of discrimination and disparate impact concerning entry-level positions of firefighters in the Milwaukee Fire Department from the 1993, 1995 and 1999 examinations.

B) SUBMITTED BY name/title/dept./ext.): Grant F. Langley, ex. 2601, Miriam Horwitz, Assistant City Attorney, ex. 2601

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES FROM FUNDS TO BE APPROPRIATED FOR CALENDAR YEARS 2002, 2003 AND 2004
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.

D) CHARGE TO: DEPARTMENTAL ACCOUNT (DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY) See G below

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS					

F) 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 type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

If approved by the United States District Court, the Supplemental Order would require the City to incur costs in three areas: (1) settlement fund for back pay claims; (2) pension costs for priority hires; and (3) mailings and administrative costs.

1. The Supplemental Order, if approved would require the City to provide the sum of \$1,800,000 in three deposits as follows: \$600,000 paid within 30 days of the date of entry of the Court's final order; a second \$600,000 paid within 13 months of the date of entry of the Court's final order. and, a third \$600,000 paid within 25 months of the date of entry of the Court's final order. The resolution states that if the Supplemental Order is approved and entered by the United States District court, the payment of the 1.8 million dollar settlement fund will be charged to the Damages and Claims Fund, account no. 0001 1490 2631 S118 636506. In addition, the City would be obligated to pay the employer share of Medicare Tax on the 1.8 million in payments, being 1.45% thereof, or the sum of \$26,100. Such payment, if ordered, would be charged to the Social Security Tax account no. 0001 4500 R453 006100.
2. The Supplemental Order, if approved would require the City to pay all required pension contributions to the Employee Retirement System sufficient to provide retroactive pension credit for up to 19 persons with retroactive seniority to June 5, 1994 and up to 16 person with retroactive seniority to June 1, 1997. In addition up to 5 persons will be provided with retroactive pension credit with retroactive seniority to be the date of the last recruit class which is enrolled in the future from the existing 1999 eligible list. The amount needed for such pension contributions is unknown, and will depend upon the number of claimants hired, and their actual date of hire. Based upon the present cost of such payments as of June 1, 2001, this obligation is anticipated to be approximately \$600,000. If the Supplemental Order is approved and entered by the United States District Court, such payments would be charged to the Employer's Share of Employee's Annuity Contribution-Tax Levy Funded account no. 0001 2110 R455 006100.

In addition, the City would be required to pay the employer portion of contributions to the Fire and Police Survivorship Fund for claimants who receive a retroactive seniority date prior to January 1, 2000. The amount needed for such pension contributions is unknown, and will depend upon the number of claimants hired, and whether they consent to participate in the Global Pension Settlement. Based upon the present cost of such payments with participation in the fund terminating by consent in the Global Pension Settlement, this contribution is anticipated to be approximately \$15,000 and would be charged to the Employer's Pension Contribution account no. 0001 2210 R441 006100.

3. Further, the Supplemental Order, if approved, would require the City to provide certain mailings and notifications to interested persons and claimants, administer selection procedures for priority appointments to claimants, and administer the payment of back pay claims, with appropriate tax withholdings, to claimants. The cost of these provisions would be charged to the Department(s) and City offices responsible for those administrative duties: The Fire and Police Commission estimates its administrative costs to be \$41,200 for mailing and testing costs, to be charged to its Operating Expenditures account no. 0001 3100 R999 006300, and labor costs of \$16,746, to be charged to its Salaries and Wages account no. 0001 3100 R999 06000 and indirect labor costs for Firefighters of \$12,000 to be charged to the MFD Salaries and Wages account no. 0001 3282 R999 006000. The Comptroller's Office estimates its administrative costs to be \$10,000, to be charged to its Salaries and Wages account no. 0001 2110 R999 006000. The Fire Department estimates its administrative costs to be \$955 for mailing costs, to be charged to its Operating Expenditures account no. 0001 3282 R999 006300, and labor costs of \$1,750, to be charged to its Salaries and Wages account no. 0001 3282 R999 006000.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

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