

Reply to Common Council File No. 000999

From DOA-Budget and Management Division

June 25, 2004

Ref: 00003

Common Council File 000999 contains a resolution to ratify and confirm the final agreement between the City of Milwaukee and the Milwaukee Police Supervisor's Organization, for the period of January 1, 2001 through December 31, 2003. The Milwaukee Police Supervisor's Organization represents 296 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, term leave and overtime rollups) are \$656,526 in 2001, \$1,511,566 in 2002 and \$2,562,140 in 2003.** The cumulative cost over the three-year life of the contract is \$4,730,232.

Pension and Annuity costs related to the salary increases are estimated at \$268,483 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. **There are two pension benefit changes in this contract: the elimination of the sunset provision on credit for military service and an increase in the pensionable amount of Variable Shift Assignment Pay to \$400 for Sergeants retiring on and after January 1, 2003.**

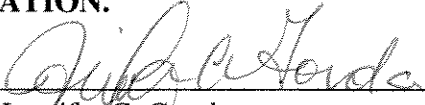
Other significant changes include:

- An increase in Variable Shift Assignment Pay of \$800 in 2001, with an additional \$200 in 2002 and 2003. This change is estimated to cost \$584,389 over the life of the contract.
- Eligibility to receive court overtime similar to members of the Milwaukee Police Association.
- An increase in the Basic Plan employee contribution to \$60 per month for single enrollment and \$120 per month for family enrollment (from \$25/\$50) effective January 2003.
- An increase in the Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000 effective January 2002.
- An increase in the annual "Educational Pay" benefits by \$20 effective January 2003.
- Miscellaneous changes to the sick leave incentive pay, flex time policy, city reimbursement for MPSO related activity paid time off, and duty assignments.

The net fiscal impact of these other changes over the life of the contract is \$508,829.

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 THE 2001 – 2003 LABOR AGREEMENT WITH THE MILWAUKEE POLICE SUPERVISOR'S ORGANIZATION.



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