

Reply to Common Council File No. 010364

From DOA-Budget and Management Division

July 26, 2001

Ref: 01003

Common Council File 010364 contains a communication from the Department of Employees Relations (DER) relative to salary and benefit changes for management and nonmanagement/nonrepresented employees for the years 2001 and 2002. These changes will impact the City's 195 nonmanagement/nonrepresented and 846 management employees.

The report recommends annual salary increases of 2.5% in 2001 and 3.0% in 2002. **The estimated costs of these increases are \$1,412,691 in 2001 and \$3,150,298 in 2002 (includes salary increases, overtime and rollups).** The cumulative cost over the two-year period is \$4,562,988. Funds for the 2001 costs are budgeted in the 2001 Wages Supplement Fund. Funds for the 2002 costs will be included in the 2002 Budget.

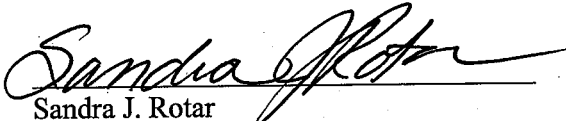
**Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$649,384 over the two-year time period.** Although the cost over the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual costs depends on the actuarial assumptions an pension fund earnings.

This file will also change several changes benefits for management and nonmanagement/nonrepresented employees including: an increase in the contribution of nonmanagement/nonrepresented employees enrolled in the Basic Plan to \$50 per month for single enrollment and \$100 per month for family enrollment (from \$40 and \$80) starting January 2002, an increase in Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000, an increase in shift and weekend differentials (40 cents per hour for 2<sup>nd</sup> shift, 45 cents per hour for 3<sup>rd</sup> shift, 50 cents per hour on Saturdays and 60 cents per hour for Sundays), an increase in the maximum reimbursement for tuition and textbooks from \$900 to \$1,000 annually (nonmanagement/nonrepresented employees), and a revision of years needed for additional vacation. **The net effect of these changes is anticipated to be \$1,007,845 over the two-year time period.**

The resolution also includes a Domestic partnership provision for same-sex and opposite-sex partners of management and nonmanagement/nonrepresented employees. This provision allows health and dental insurance and funeral leave benefits for domestic partners of City employees who are registered as such by the City Clerk (as provided under Chapter 111 of the Milwaukee Code of Ordinances). **The fiscal impact of this change is estimated to be \$ 36,053 over the two-year time period.**

The City has traditionally given the same salary increases and benefit enhancements received by DC 48 to management and nonrepresented/nonmanagement employees in an effort to ensure internal equity and to remain competitive in a tight labor market.

**RECOMMENDATION: APPROVE COMMON COUNCIL FILE 010364 TO AMEND NONREPRESENTED/NONMANAGEMENT AND MANAGEMENT SALARY RATES AND BENEFITS.**

  
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