

Reply to Common Council File No.000985

From DOA-Budget and Management Division

November 13, 2001

Ref: 00003

Common Council File 000985 contains a resolution to ratify and confirm the final labor agreement between the City and Joint Bargaining Unit #139, IUOE., AFL-CIO and Milwaukee District Council #48, AFSCME, AFL-CIO. The agreement covers wages, hours and conditions of employment for the period of January 1, 2001 through December 31, 2002. The Joint Bargaining Unit #139 represents 29 city employees.

This agreement provides annual salary increases of 2.5% for 2001 and 3.0% for 2002. **The estimated cost of these increases is \$38,151 in 2001 and \$85,074 in 2002 (includes salary increases, overtime and rollups).** The cumulative cost over the two-year life of the contract is \$123,225. Funds for these costs are provided in the Wages Supplement Fund.

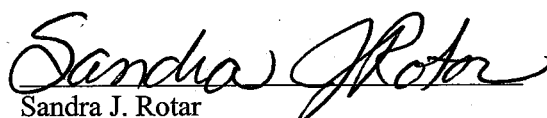
Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$16,489 over the life of the contract. Although the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual cost depends on the actuarial assumptions and pension fund earnings.

Other contract changes include: An increase in the contribution of 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 the Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000, an increase of five cents in the Shift, Weekend and Holiday Differential pay, an increase in safety shoe allowance from \$105 to \$115 annually, an increase in the maximum reimbursement for tuition and textbooks from \$900 to \$1,000 annually (2002), an increase of clothing allowance for Asphalt Plant Engineer from \$90 to \$110 and a revision of years needed for additional vacation. **The net effect of these changes is anticipated to be \$33,524 over the life of the contract.**

The contract also includes a Domestic Partnership provision for same-sex and opposite-sex partners. 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). **Due to the limited number of employees in this union, the Department of Employee Relations estimates that there will not be a fiscal impact of this change for this contract period.**

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 2001-2002 LABOR AGREEMENT WITH THE JOINT BARGAINING UNIT LOCAL #139, IUOE, AFL-CIO.


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Budget and Management Team Leader

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