

Reply to Common Council File No. 070013
From DOA-Budget and Management Division

October 12, 2007

Ref: 07003

Common Council File 070013 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, 2007 through December 31, 2009. The Milwaukee Police Association represents approximately 1,665 city employees.

This agreement provides annual salary increases of 3.0% for 2007, 3.25% for 2008, and 3.0% for 2009. **Our office estimate of the costs of these increases (salary, holiday, overtime) is \$3.3 million in 2007, \$7 million in 2008 and \$10.5 million in 2009.** The cumulative cost over the three-year life of the contract is \$20.8 million.

Pension costs related to the salary, certification pay increases and other fringe benefits are estimated at \$1.0 million over the life of the contract. This number reflects pension costs associated with the decrease to certification pay of \$260 in 2009. The certification reduction equivalent was placed in the base salary.

Other changes include:

- The employee paid premium health insurance will increase in 2009 and several co-pays have been added to HMO's that will begin in 2008. The anticipated savings will be \$0.7 million for those changes.
- A Wellness Program will begin to be set up during 2008 for possible implementation on January 1, 2009. The Wellness Program will have some costs related to the set of the employee health risk assessment.
- An increase in the monthly parking allowance for PAB employees of \$10 for 2007 and \$5 for each of the years 2008 and 2009.
- Longevity pay increase of \$50 beginning with the payments received in 2009.

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 2007-2009 LABOR AGREEMENT WITH THE MILWAUKEE POLICE ASSOCIATION, LOCAL #21, I.U.P.A., AFL-CIO.

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