



City of Milwaukee Fiscal Impact Statement

A Date 6/6/2017 File Number _____ Original Substitute
 Subject Insourcing 3 IT Contract Positions

B Submitted By (Name/Title/Dept./Ext.) Bernard J Allen/Executive Director Employees' Retirement System 5454

C This File Increases or decreases previously authorized expenditures.
 Suspends expenditure authority.
 Increases or decreases city services.
 Authorizes a department to administer a program affecting the city's fiscal liability.
 Increases or decreases revenue.
 Requests an amendment to the salary or positions ordinance.
 Authorizes borrowing and related debt service.
 Authorizes contingent borrowing (authority only).
 Authorizes the expenditure of funds not authorized in adopted City Budget.

D Charge To Department Account Contingent Fund
 Capital Projects Fund Special Purpose Accounts
 Debt Service Grant & Aid Accounts
 Other (Specify) Pension Trust

	Purpose	Specify Type/Use	Expenditure	Revenue	
E	Salaries/Wages	PLEASE SEE ATTACHED	PLEASE SEE ATTACHED	\$0.00	
			\$0.00	\$0.00	
	Supplies/Materials		\$0.00	\$0.00	
			\$0.00	\$0.00	
	Equipment		\$0.00	\$0.00	
			\$0.00	\$0.00	
	Services			\$0.00	
			\$0.00	\$0.00	
	Other		\$0.00	\$0.00	
			\$0.00	\$0.00	
	TOTALS			\$ 0.00	\$ 0.00

F Assumptions used in arriving at fiscal estimate. New positions will be approved at the 2LX pay grade.

G 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.

1-3 Years 3-5 Years An estimated total of 1.5Million will be saved over a 3 year period.

1-3 Years 3-5 Years _____

1-3 Years 3-5 Years _____

H List any costs not included in Sections D and E above. N/A

I Additional information. Salaries will be funded from the ERS Trust (NOT TAX LEVY)
If the new position request does not get approved, we will have to renew substnatly higher cost existing contracts for another 3 years.

J This Note Was requested by committee chair.

1 IT Insourcing Plan (Contract positions to FTE Positions)

ERS Contract Position	Vendor	2017 Annual Cost	Proposed Insourced Cost 2017 (*burden rate of 50%)	Pay Range	City Position Title	2018 Savings	2019 Savings	2020 Savings	ROI over 3 year period
Database Administrator	SSR	210,000	\$110,000	2LX	Sr. Database Administrator	\$100,000	\$108,400	\$117,136	\$325,536
Java Developer	Symphony	175,000	90,000	2LX	Sr. Java Developer	85,000	\$92,000	\$99,280	\$276,280
Server Administrator	SSR	\$160,000	\$110,000	2LX	ERS Server Administrator	\$56,400	\$63,056	\$69,978	\$189,434
Sr. Infrastructure Expert (no annual increases annual renewals at flat rate)	SSR	\$250,000	\$0	N/A	(Eliminate current contract and shift duties to Enterprise Information Manager)	\$250,000	\$250,000	\$250,000	\$750,000
		\$795,000	\$310,000		Total Savings from Insourcing	Y1 \$491,400	Y2 \$513,456	Y3 \$536,394	TOTAL NET SAVINGS (3Year) \$1,541,250

*The New positions are requested for FY2017. Once positions are approved and filled we will report the net savings for 2017.

*2017 Contracts expire 12/31/17