



Legislation Text

File #: 27773, Version: 2

**Fiscal Note [REVISED]**

This ordinance adopts and confirms the Labor Agreement between the City of Madison and City Employees AFSCME Local 60, AFL-CIO, for the period March 16, 2014 to March 15, 2015.

The proposed ordinance allows the city to reduce base wages by a maximum of 3% effective March 16, 2014. The current agreement with Local 60 includes a 3% wage increase at the end of 2013. A 3% base wage reduction for Local 60 permanent employees is estimated to save approximately \$700,000 for the remainder of 2014 and \$922,000 on a 12-month basis. This estimate includes salary and fringe benefits affected by base wages (overtime, WRS and FICA). The estimated impact of a 3% base wage reduction for hourly Local 60 employees is approximately \$120,000 \$115,000 on a 12-month basis. Taken together, the 12-month impact of a 3% base wage adjustment on permanent and hourly positions in Local 60 is approximately \$1.042 million \$1.037 million.

The figures above reflect the levy impact of a 3% base wage reduction for Local 60 employees. The estimated all funds effect on a 12-month basis is \$1.484 million (\$1.35 million for permanent employees and \$134,000 for hourly employees).

The proposed ordinance also allows the city to increase base wages by a maximum of 3% effective with the last pay period of December 2014. The fiscal effect of such an increase is approximately the same as the 12-month estimate above for a 3% wage reduction.

Under the proposed ordinance, the city may utilize alternative options for health insurance plan design, effective January 1, 2015. The city currently spends approximately \$32 million annually on health insurance for its employees. The city participates in the Wisconsin Public Employers (WPE) group health insurance program operated by the State Department of Employee Trust Funds. One example of an alternative plan design is the new State of Wisconsin employee health insurance plan. The WPE insurance program recently began offering this plan as an option for participating local governments. This plan design reduced premium costs under the state's health insurance plan by 5% through the use of co-insurance and deductibles. A 5% reduction in city health insurance costs would save approximately \$1.6 million annually.

**Title**

SUBSTITUTE Adopting and confirming the Labor Agreements between the City of Madison and City Employees AFSCME Local 60, AFL-CIO (all units) for the period March 16, 2014 to March 15, 2015.

**Body**

DRAFTER'S ANALYSIS: This ordinance adopts and confirms the Labor Agreements between the City of Madison and all bargaining units of City Employees AFSCME Local 60, AFL-CIO for the period March 16, 2014 to March 15, 2015.

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The Common Council of the City of Madison do hereby ordain as follows:

The Labor Agreements between the City of Madison and City Employees AFSCME Local 60, AFL-CIO (all bargaining units) for the period March 16, 2014 to March 15, 2015, are hereby adopted in their entirety and confirmed in all respects, and the Mayor and Clerk are authorized to sign the agreements.