



Legislation Text

File #: 21803, Version: 2

**Fiscal Note**

This resolution provides for a 3% wage increase in December 2013, which will cost about \$69,000 in 2013 and result in additional annual costs of approximately \$1,150,000 beginning in 2014.

This resolution commits to provide a temporary supplemental wage adjustment of 5% during 2011 for all non-represented City employees, commencing if and when those employees are required to begin paying 5.8% of gross wages towards the Wisconsin Retirement Fund, pursuant to the provisions of the Governor's Budget Repair Bill. Assuming this wage increase would become effective on May 1<sup>st</sup>, the cost for the remainder of the year would be approximately \$1,300,000. This cost would be fully offset, however, by the savings that would accrue to the City as WRS pension costs are shifted from the employer to employees. Thus, sufficient funds are available in the current budget to implement this temporary wage increase until the end of the year.

In addition, the resolution commits to providing a 2% wage increase that would become effective in December of 2013, which would cost about \$46,000 in 2013 and \$767,000 per year beginning in 2014. The cost of this future wage increase would require finding in future year operating budgets.

**Title**

A resolution providing An ALTERNATE to resolution number 21803 to provide For A Wage Increase in the Last Pay Period of 2013, and Establishing a Policy on Avoidance of Layoffs for Non-represented employees, and to provide a temporary wage adjustment of 5% for non-represented employees to offset the WRS contribution if/when it is imposed by the State.

**Body**

Whereas, the City and a number of City unions have agreed on new contracts that provide for a 3 2% wage increase in the last pay period of 2013 and language on working cooperatively to avoid layoffs; and

Whereas, the City wishes to extend these same provisions to non-represented employees.

Whereas, Non-represented employees are the only City employees who will be impacted by a reduction in their take home pay if the Governor's budget repair bill is passed into law, and

Whereas, Non-represented employees will begin paying a 12% increase in health insurance premium costs beginning January, 2012. Most represented employees will pay only 6% beginning in 2013 and will not pay the full 12% increase until January 2014, a full 2 years after non-represented employees, and

Whereas, providing a temporary 5.0% supplemental wage adjustment would not require any additional appropriation by the City of Madison. Funding currently exists in the 2011 budget to pay this cost. This supplemental wage adjustment would have a net zero impact of the City's 2011 budget, and

Whereas, this supplemental wage adjustment is temporary and would only take effect if the non-represented employees are required to pay the 5.8% WRS contribution in 2011.

Now, therefore, be it hereby resolved that:

1. Non-represented employees will be granted a three percent (3 2%) wage increase effective the

last pay period of 2013.

2. The City agrees to work cooperatively with non-represented employees to avoid layoffs through March 2014. The ability to avoid layoffs will be strengthened if the City implements furlough days and/or if the City pursues and the electorate adopts a referendum allowing the City to exceed the state-imposed levy limits. The goal of avoiding layoffs is not meant to include the elimination of any vacant positions, elimination of positions due to restructuring or creation of operational efficiencies, termination of employees for just cause or elimination of positions due to restructuring of the Overture Center for the Arts.
3. The City will provide a temporary 5.0% supplemental wage adjustment for non-represented employees that would begin when, and only when, non-represented employees are required to begin paying 5.8% of their gross wages into the Wisconsin Retirement System (WRS). If the Governor's budget repair bill is not made into law, this provision would be enacted. This temporary 5.0% supplemental wage adjustment would end the last days of 2011.
3. To the extent any portion of this resolution requires changes to the Madison General Ordinances, the City Attorney shall draft and present those changes to the Common Council.