



Legislation Text

File #: 27819, Version: 1

Fiscal Note [REVISED]

This ordinance adopts and confirms the Labor Agreement between the City of Madison and City Employees Building and Construction Trades Council of South Central Wisconsin, 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 the Trades Council includes a 3% wage increase at the end of 2013. A 3% base wage reduction for Trades Council employees is estimated to save approximately \$3,100 for the remainder of 2014 and \$4,000 on a 12-month basis. This estimate includes salary and fringe benefits affected by base wages (overtime, WRS and FICA).

The figures above reflect the levy impact of a 3% base wage reduction for Trades Council employees. The estimated all funds effect on a 12-month basis is \$9,800.

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

Adopting and confirming the Labor Agreement between the City of Madison and Building and Construction Trades Council of South Central Wisconsin for the period March 16, 2014 to March 15, 2015.

Body

DRAFTER'S ANALYSIS: This ordinance adopts and confirms the Labor Agreement between the City of Madison and Building and Construction Trades Council of South Central Wisconsin for the period March 16, 2014 to March 15, 2015.

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

The Labor Agreement between the City of Madison and Building and Construction Trades Council of South Central Wisconsin for the period March 16, 2014 to March 15, 2015, is hereby adopted in its entirety and confirmed in all respects, and the Mayor and Clerk are authorized to sign the agreement.