



Office of the Comptroller
Audit Services Division

Milwaukee County

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Date: May 17, 2022
To: Supervisor Marcelia Nicholson, Chairwoman, Milwaukee County Board
From: Jennifer Foliard, Director of Audits
Subject: Status Report - Minimum Wage Ordinance Memo

Background

In March 2014, the Milwaukee County Board of Supervisors created Chapter 111 of the Milwaukee County Code of Ordinances which established a Minimum Wage Ordinance (MWO). Chapter 111 applies to both County employees and certain contractors doing business with Milwaukee County. Chapter 111 provides the framework for County departments to follow when contracting for services covered by the MWO and for subsequent contract monitoring. Our office reviews vendors' compliance with the ordinance.

We issued a three year review of the Minimum Wage Program in December of 2017. The associated resolution indicating concurrence with the report recommendations was adopted by the County Board in February 2018.

Subsequent to the adoption of the resolution, 2017 Wisconsin Act 327, based upon Assembly Bill 748 was signed and became effective on April 18, 2018. It repealed Wis. Stat. 104.001(3), which permitted a local government (county, city, village or town) to enact and enforce ordinances mandating a minimum wage for its own employees and employees performing work under a contract for provision of services or funded by financial assistance from the local governmental entity. Act 327 prohibits Milwaukee County from entering into any new contracts requiring compliance with the minimum wage. It does not negate existing contracts with that requirement. As a result, we continue to report annually on MWO compliance for existing contracts subject to the MWO provision. This report covers calendar year 2021.

The County's Minimum Wage Program has two rate structures depending on when the contract was executed. Given the State legislative changes, rates for existing contracts are frozen at the amount as of April 2018, which was \$12.07 for contracts entered into prior to November 3, 2016 and \$13.01 for those entered into or after this date. Appendix 1 contains a table displaying the rates beginning in 2014.

Existing compliance with Chapter 111 from January to December of 2021

While the state legislation effectively disallows any new contracts to require compliance with Chapter 111, we have continued to require submittal of payroll information to our office for those County contracts which contained a minimum wage requirement prior to the implementation of Act 327 in April 2018.

There were five contracts subject to the Minimum Wage Ordinance in 2021 that provided payroll records with an average employee count of 246 employees based on quarterly payroll data. **Table**

1 lists the contracts. We found all vendors to be in compliance with the ordinance. We reviewed the payroll data for employees on a quarterly basis for 2021 and found that all employees earned \$15.00 or more per hour.

Vendor	Department	Type of Service	Employees
G4S	Sheriff	Secure Transportation	26
Interflight Parking	Airport	Concession - GMIA parking	53
First Transit	MCTS	Paratransit Transportation	97
Transit Express	MCTS	Paratransit Transportation	66
Service Systems Associates	Zoo	Concession	4
TOTAL			246

This status report is informational and due to the continued monitoring of contracts with minimum wage requirement, we plan to provide a status report in early 2023 containing wage data from 2022.

Jennifer L. Folliard, Director of Audits

JLF/MRP

- cc: Scott B. Manske, CPA, Milwaukee County Comptroller
- Milwaukee County Board of Supervisors
- David Crowley, Milwaukee County Executive
- Aaron Hertzberg, Director, Department of Administrative Services
- Margaret Daun, Corporation Counsel, Office of Corporation Counsel
- Kelly Bablitch, Chief of Staff, County Board Staff
- Mary Jo Meyers, Chief of Staff, Milwaukee County Executive
- Regina Flores, Director, DAS-Procurement Division
- Stephen Cady, Research & Policy Director, Office of the Comptroller
- Ciara Miller, Research Analyst, Office of the Comptroller
- Janelle Jensen, Legislative Services Division Manager, County Clerk's Office

APPENDIX 1

Minimum Wage Rates for Milwaukee County Contracts Before and After November 3, 2016				
	MW rates for contract executed BEFORE November 3, 2016		MW rates for contract executed ON or AFTER November 3, 2016	
Year	Effective Date	Hourly Rate	Effective Date	Hourly Rate
2014	6/1/2014	\$11.47	N/A	N/A
2015	3/1/2015	\$11.66	N/A	N/A
2016	3/1/2016	\$11.68	11/3/2016	\$11.68
2017	3/1/2017	\$11.82	1/1/2017	\$12.35
2018	3/1/2018	\$12.07	1/1/2018	\$13.01
2019	3/1/2019	\$12.38	1/1/2019	\$13.67
2020	3/1/2020	Unknown	1/1/2020	\$14.34
2021	3/1/2021	Unknown	1/1/2021	\$15.00