

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Department of Human Resources	David Bracilano/684-7874 Sarah Butler/684-7929	Jessica Wang/685-1759

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to City employment; authorizing the execution of collective bargaining agreements between The City of Seattle and certain unions; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

This legislation authorizes the Mayor to implement four collective bargaining agreements between the City of Seattle (“City”) and certain unions: 1) Washington State Council of County and City Employees Local 21-PA (“Prosecuting Attorneys”), 2) Pacific Northwest Regional Council of Carpenters (“Carpenters”), 3) International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79 (“Local 79”) and 4) International Association of Machinists and Aerospace Workers, District Lodge 160, Local 289 (“Local 289”). The Prosecuting Attorneys’ and Carpenters’ collective bargaining agreements are four-year agreements on wages, benefits, hours and other working conditions for the time period January 1, 2015 through December 31, 2018. The Local 79 and Local 289 collective bargaining agreements are five-year agreements on wages, benefits, hours and other working conditions for the time period January 1, 2014 through December 31, 2018. This legislation affects up to approximately 200 regularly appointed City employees.

The collective bargaining agreements provide for wage adjustments of 2 percent in 2015, 2 percent in 2016, 2.5 percent in 2017 and 2.75 percent in 2018. Additionally, for Local 79 the 2014 wage adjustment is 2 percent, and for Local 289 the 2014 wage increase is 1.8 percent. Assistant City Prosecutors and Senior Assistant City Prosecutors in the Prosecuting Attorneys’ agreement will also receive a 3.5 percent adjustment in 2015 to address recruitment and retention issues. Employees who work a graveyard or swing shift will receive an additional \$0.10 per hour effective on December 30, 2015. Employees in 2016 will receive an increase of \$20 for boots, clothing or tools, and an additional \$20 increase for the same in 2017.

The City and unions will continue health care cost sharing as agreed upon in the previous agreements: the City will pay up to 7 percent of annual healthcare cost increases and then additional costs will be covered by the Rate Stabilization Fund. Once that Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of any additional costs.

The collective bargaining agreements provide other terms and conditions of the four- and five-year agreements. Employees who furloughed in 2010 will receive the same number of hours taken and those hours will be split equally in 2016 and 2017; the leave cannot be cashed out or

carried over from year to year. The City and unions also agreed to a SCERS II retirement system for new employees hired on or after January 1, 2017, among other items. The Carpenters agreement is pending ratification of union membership; the Mayor is not authorized to execute the agreement unless and until it has been ratified by Carpenters' union membership.

2. SUMMARY OF FINANCIAL IMPLICATIONS

X This legislation has direct financial implications.

Labor Relations developed the estimate below to approximate the costs of ratifying the new agreements along with other employee groups who receive the same increases. Costs for the collective bargaining agreements, which include City contributions to retirement, social security and Medicare, were included in the cost of the 2015-2016 biennial budget. Funds were set aside in the 2016 Adopted Budget to cover these cost increases; separate, future legislation will be forward by the City Budget Office in early 2016 to authorize appropriations of funds to departments.

Union members' base wages will increase by 2 percent for 2015, 2 percent for 2016, 2.5 percent for 2017 and 2.75 percent for 2018. Additionally in 2014, Local 79 members' wages will increase by 2 percent and Local 289 members' wages will increase by 1.8 percent. The aggregate cost of wages for members (and for non-represented employees, which have historically been extended the same increases) is estimated to grow from \$823 million in 2014 to \$916 million in 2018.

3. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

No.

b) Is there financial cost or other impacts of not implementing the legislation?

If the contracts are not legislated, employees will continue to receive the same wages that became effective on January 1, 2014 (or in the case of Local 79 and Local 289 members, wages that became effective on January 2, 2013). There may be other legal risks associated with not implementing the legislation.

c) Does this legislation affect any departments besides the originating department?

Yes, there are costs and potential operational impacts to the following departments: City Light, Finance and Administrative Services, Law Department, Parks, Seattle Center, Seattle Department of Construction and Inspections, Seattle Department of Transportation, and Seattle Public Utilities.

d) Is a public hearing required for this legislation?

No.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

No.

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

Not applicable.

j) Other Issues: None

List attachments/exhibits below:

- Summary Attachment 1 – Bill Draft Version of Prosecuting Attorneys Agreement
- Summary Attachment 2 – Bill Draft Version of Carpenters Agreement
- Summary Attachment 3 – Bill Draft Version of Local 79 Agreement
- Summary Attachment 4 – Bill Draft Version of Local 289 Agreement