

SUMMARY and FISCAL NOTE*

| Department: | Contact Person/Phone: | Executive Contact/Phone: |
|---------------------------------------|---|---------------------------------|
| Seattle Department of Human Resources | David Bracilano/684-7874 Sarah Butler/684-7874 | Jessica Wang/615-1759 |

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 in the Coalition of City Unions, for the time period January 1, 2015 through December 31, 2018; 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 and certain unions in the Coalition of City Unions: 1) Professional and Technical Employees Local 17 (“Local 17”), Professional, Technical, Senior Business, Senior Professional and Administrative Support bargaining units; 2) Local 17 Probation Counselors unit; 3) the Seattle Municipal Court Marshals’ Guild; and 4) Journeymen Apprentices of the Plumbing and Pipefitting Industry, Local 32 (“Local 32”). The 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. This legislation affects up to approximately 2,600 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, titles experiencing retention and recruitment issues will receive an additional 3.5 percent increase in 2015 (see Attachment 5 to this Summary and Fiscal Note). 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 agreements also provide for bringing all wages up to \$15 per hour effective April 1, 2015, ahead of the city Minimum Wage schedule (Ordinance 124490).

The parties will continue health care cost sharing as agreed upon in the previous agreement: 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-year agreement. 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 union also agreed to a SCERS II retirement system for new employees hired on or after January 1, 2017, among other items.

3. SUMMARY OF FINANCIAL IMPLICATIONS

X This legislation does not have direct financial implications.

Labor Relations developed the estimate below to approximate the 2015 – 2018 costs of ratifying the new agreement. Costs for the 2014 – 2018 collective bargaining agreement, 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.

Coalition 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. 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. (Note: this estimate does not include minimum wage costs. The minimum wage funds were authorized in the 2015 Budget and will be appropriated in the same City Budget Office legislation noted above.)

4. 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 contract is not legislated, employees will continue to receive the same wages that became effective on January 1, 2014. 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 cost and potential operational impacts to departments that have employees represented by Local 17 (most City departments).

d) Is a public hearing required for this legislation?

No.

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

No.

f) Does this legislation affect a piece of property?

No.

g) 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.

**h) 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.**

N/A

i) Other Issues: None

List attachments/exhibits below:

- Summary Attachment 1 -Agreement between the City and Local 17 Citywide (Bill Draft Version)
- Summary Attachment 2 - Agreement between the City and Local 17 Probation Counselors (Bill Draft Version)
- Summary Attachment 3 - Agreement between the City and the Court Marshals' Guild (Bill Draft Version)
- Summary Attachment 4 - Agreement between the City and Local 32 (Bill Draft Version)
- Summary Attachment 5 - 2015 Wage Adjustments to Address Recruitment and Retention