

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Seattle Department of Human Resources	Chase Munroe	Joseph Russell

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to City employment; authorizing the execution of collective bargaining agreements between The City of Seattle and the International Brotherhood of Electrical Workers Local 77; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation authorizes the Mayor to implement three collective bargaining agreements between The City of Seattle (the “City”) and the International Brotherhood of Electrical Workers Local 77 U100, Power Marketers, and Material Controllers/Apprenticeship Coordinators Units. The collective bargaining agreements are multi-year agreements on wages, benefits, hours, and other working conditions. This legislation affects approximately 575 regularly appointed City employees at Seattle City Light.

#### U100:

This collective bargaining agreement is a three-year agreement from January 23, 2023, through January 22, 2026, representing approximately 550 regularly appointed City employees at City Light. The agreement provides for negotiated wage adjustments between 2 and 11 percent for selected titles, retroactive to January 23, 2023. In addition, base wages for all titles covered by the agreement will increase by 5 percent in 2023 and by 4.5 percent in 2024. In 2025, base wages will increase by 100 percent of the percentage increase in the Seattle-Tacoma-Bremerton area Consumer Price Index for June 2024 over the same index for June 2023, with a minimum increase of 2 percent and a maximum increase of 4 percent. The yearly contribution for daily wearer with coveralls will be increased to \$992; daily wearer without coveralls will be increased to \$860; and intermittent wearer with coveralls increased to \$245. The yearly lump sum allowance for the cost of purchasing protective footwear will be \$400 for line workers; \$150 for dispatchers; and \$250 for all other classifications.

The City and U100 members will continue to split health care premiums as in the previous agreement: the City will pay 90 percent and employees will pay 10 percent of such costs.

The agreement provides for other working conditions. Juneteenth (June 19) and Indigenous Peoples’ Day (second Monday in October) will be recognized as additional paid holidays. Upon retirement, 35 percent of an employee’s unused sick leave credit accumulation will be transferred to a Voluntary Employee Benefits Association (VEBA) account, if voted by eligible-to-retain members. Revisions to union membership, discipline, and working rules for communications electricians and power production personnel are also provided, among other items.

### Power Marketers Unit:

This collective bargaining agreement is a three-year agreement on wages, benefits, hours, and other working conditions for the period from January 1, 2023, through December 31, 2025. Approximately 15 regularly appointed current City employees at Seattle City Light are represented by this agreement.

The agreement provides for a 1 percent negotiated wage adjustment for all titles covered by the agreement, effective January 1, 2023. In addition, base wages will increase by 5 percent in 2023 and by 4.5 percent in 2024. In 2025, base wages will increase by 100 percent of the percentage increase in the Seattle-Tacoma-Bellevue area Consumer Price Index for the June over June method, with a minimum increase of 1.5 percent and a maximum increase of 4 percent.

Health care cost sharing will continue as in previous agreements: the City will pay up to 107 percent of the average City costs of medical, dental, and vision premiums over the prior calendar year. Costs above 107 percent will be covered by the Rate Stabilization Fund. Once the Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of the excess costs in healthcare.

### Material Controllers/Apprenticeship Coordinators Unit:

This collective bargaining agreement is a five-year agreement on wages, benefits, hours, and other working conditions for the period from January 1, 2023, through December 31, 2027, representing approximately 10 regularly appointed City employees at Seattle City Light. The agreement provides for a 1 percent negotiated wage adjustment for all titles covered by the agreement, effective January 1, 2023. In addition, base wages will increase by 5 percent in 2023 and by 4.5 percent in 2024. In 2025, base wages will increase by 1 percent plus 100 percent of the annual growth rate of the bi-monthly Seattle-Tacoma-Bellevue area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the June over June method, with a minimum increase of 2 percent and a maximum increase of 4 percent. In 2026, base wages will increase by 100 percent of the same bi-monthly CPI-W measure, plus 1 percent, with a minimum increase of 2.5 percent and a maximum increase of 5 percent. In 2027, base wages will increase by 100 percent of the same bi-monthly CPI-W measure, with a minimum increase of 2 percent and a maximum increase of 4 percent.

Shift differential will increase from \$0.75 to \$1.25/hour for swing shift and from \$1.00 to \$1.75/hour for graveyard shift. Apprenticeship Coordinators will receive an initial FR clothing allotment of \$620 and an annual allotment of \$245 thereafter. Apprenticeship Coordinators will also be entitled to a boot allowance of \$200 per year.

Health care cost sharing will continue as in the previous agreement: the City will pay up to 7 percent of the annual health care 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.

All Contracts:

Effective 60 days after ratification, employees with 4 to 7 years of service will receive 16 annual vacation days, with increasing number of annual vacation days at years 8-13 (20 days), 14-18 (23 days), 19 (24 days), 20 (25 days), 21 (26 days), 22 (27 days), 23 (28 days), 24 (29 days), and 25+ (30 days). Employees will also be allowed up to 40 hours of bereavement leave (full day increments or increments of one hour) in the event of death of any relative, defined as any person related to the employee by blood, marriage, adoption, fostering, guardianship, in loco parentis, or domestic partnership, among other items.

## **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**

☐ Yes ☒ No

## **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation have financial impacts to the City?**

☒ Yes ☐ No

The City Budget Office, in cooperation with Labor Relations, developed the following estimates to approximate the costs of ratifying the three agreements. These estimates include a comparison of the costs relative to (a) existing compensation levels, and (b) reserves that the City held last fall in adopting the 2024 Budget in anticipation of completing negotiations with the Local 77 CMEO. The estimated costs for the collective bargaining agreements include all elements of employee compensation, including wages, retirement contributions, Social Security, and Medicare. The incremental financial impacts include two key components: (i) retroactive payments for the year 2023 and half of 2024, plus adjustment to compensation levels for the second half of 2024; and (ii) the ongoing costs associated with this increased compensation.

A lump sum, one-time payment in 2024 will cover the incremental costs of the wage adjustments that are being awarded retroactively for work by these Local 77 members in 2023 and 2024. The ongoing annual costs capture the compounded impact of the annual wage increases provided for this time period. As noted in the tables, these incremental ongoing, annual costs do not change for 2025 (2027 for Material Controllers) and beyond. This reflects the fact that the term of the agreement with Local 77 runs only through the end of 2025 (2027 for Material Controllers) and does not address compensation changes beyond this date. The City and Local 77 CMEO will ultimately negotiate a labor agreement that extends beyond the end of 2025 (2027 for Material Controllers), but until then, per state law, the terms of the agreement and the wage rates provided will remain in effect.

For the units covered in this fiscal note, all costs are in Seattle City Light. So, any reference to Other Funds may be interpreted as referring to the City Light Fund.

**U100:**

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Expenditure Change (\$) General Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditure Change (\$) Other Funds</b>	\$77,943,000	\$14,851,000	\$24,775,000	\$28,681,000	\$28,681,000	\$28,681,000	\$28,681,000
<b>Total – All Funds</b>	<b>\$77,943,000</b>	<b>\$14,851,000</b>	<b>\$24,775,000</b>	<b>\$28,681,000</b>	<b>\$28,681,000</b>	<b>\$28,681,000</b>	<b>\$28,681,000</b>
<p>Terms of this contract extend only through 2025, so costs for 2026-2028 exactly match those for 2025. The City and Local 77 CMEU will need to negotiate terms for 2026 and beyond at some future date. Additional financial impacts will result from the outcome of those negotiations and these impacts will be additive to the estimates presented here for 2026-2028.</p> <p>Figures do not include costs in 2021-2023 for the 2021 market adjustment for Power Dispatchers (approximately \$4.7 million across those three years) because those expenses were previously approved in Ordinance 126975 (passed December 12, 2023) and are being appropriated alongside expenses for the Coalition of City Unions and other recently approved bargaining agreements, legislation for which will be transmitted to City Council in June of 2024.</p>							

**Power Marketers Unit:**

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Expenditure Change (\$) General Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditure Change (\$) Other Funds</b>	\$1,556,000	\$177,000	\$199,000	\$269,000	\$269,000	\$269,000	\$269,000
<b>Total – All Funds</b>	<b>\$1,556,000</b>	<b>\$177,000</b>	<b>\$199,000</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$269,000</b>
<p>Terms of this contract extend only through 2025, so costs for 2026-2028 exactly match those for 2025. The City and Local 77 CMEU will need to negotiate terms for 2026 and beyond at some future date. Additional financial impacts will result from the outcome of those negotiations and these impacts will be additive to the estimates presented here for 2026-2028.</p>							

**Material Controllers/Apprenticeship Coordinators Unit:**

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Expenditure Change (\$) General Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditure Change (\$) Other Funds</b>	\$712,000	\$111,000	\$144,000	\$178,000	\$210,000	\$238,000	\$238,000
<b>Total – All Funds</b>	<b>\$712,000</b>	<b>\$111,000</b>	<b>\$144,000</b>	<b>\$178,000</b>	<b>\$210,000</b>	<b>\$238,000</b>	<b>\$238,000</b>
<p>Terms of this contract extend only through 2027, so costs for 2028 exactly match those for 2027. The City and Local 77 CMEU will need to negotiate terms for 2028 and beyond at some future date. Additional financial impacts will result from the outcome of those negotiations and these impacts will be additive to the estimates presented here for 2028.</p>							

The City anticipated significant aspects of the compensation terms reflected in the proposed bills and has held financial reserves to address the immediate needs and developed long-term financial plans for additional labor costs that will be incurred in the future. However, for each agreement shown below, the costs of the final terms of the agreement exceed the costs anticipated and planned for in the 2024 budget process.

U100:

*Showing Other Funds only (no costs incurred or reserves held for the General Fund)*

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>TOTAL</b>
<b>Expenditure Change - Other Funds</b>	\$77,943,000	\$14,851,000	\$24,775,000	\$28,681,000	\$68,307,000
<b>Expenditure Change Assumed in '24 Budget - Other Funds</b>		\$1,543,000	(\$5,746,000)	(\$8,475,000)	(\$12,678,000)
<b>Cost Above Budget/Reserves - Other Funds</b>		<b>\$16,394,000</b>	<b>\$19,029,000</b>	<b>\$20,206,000</b>	<b>\$55,629,000</b>
The expenditure change assumed for this unit in 2023 was originally \$3.1 million. A reduced total of -\$1.543 million is shown here because this was the balance after considering costs for the 2021 market adjustment for Power Dispatchers, approved in December 2023 via Ordinance 126975.					

Power Marketers Unit:

*Showing Other Funds only (no costs incurred or reserves held for the General Fund)*

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>TOTAL</b>
<b>Expenditure Change - Other Funds</b>	\$1,556,000	\$177,000	\$199,000	\$269,000	\$644,000
<b>Expenditure Change Assumed in '24 Budget - Other Funds</b>		(\$93,000)	(\$172,000)	(\$253,000)	(\$518,000)
<b>Cost Above Budget/Reserves - Other Funds</b>		<b>\$83,000</b>	<b>\$27,000</b>	<b>\$16,000</b>	<b>\$126,000</b>

Material Controllers/Apprenticeship Coordinators Unit:

*Showing Other Funds only (no costs incurred or reserves held for the General Fund)*

	<i>Salary Base</i>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>TOTAL</b>
<b>Expenditure Change - Other Funds</b>	\$712,000	\$111,000	\$144,000	\$178,000	\$210,000	\$238,000	<b>\$881,000</b>
<b>Expenditure Change Assumed in '24 Budget - Other Funds</b>		(\$47,000)	(\$86,000)	(\$127,000)	(\$159,000)	(\$192,000)	<b>(\$612,000)</b>
<b>Cost Above Budget/Reserves - Other Funds</b>		<b>\$64,000</b>	<b>\$57,000</b>	<b>\$50,000</b>	<b>\$51,000</b>	<b>\$46,000</b>	<b>\$269,000</b>

Separate, future legislation will be forwarded by the City Budget Office later in 2024 to authorize additional appropriations from City Light. Ultimately, the overall costs of these agreements will be borne by City Light's ratepayers, both commercial and residential.

There are no new revenues associated with this legislation. This legislation does not authorize the creation of new positions.

**3.a. Appropriations**

☐ This legislation adds, changes, or deletes appropriations.

**3.b. Revenues/Reimbursements**

☐ This legislation adds, changes, or deletes revenues or reimbursements.

### 3.c. Positions

- ☐ This legislation adds, changes, or deletes positions.

### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

The Executive will transmit legislation later this year to authorize appropriations for City departments.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

The Executive will transmit legislation later this year to authorize appropriations for City departments. The amounts included in those appropriations will likely be less than the above estimates because the City has taken a number of steps in early 2024 to reduce spending. Future appropriations are anticipated to be net of those administratively derived savings.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

Legislation is required to implement bargained-for wages and changes to union members' working conditions. There may be other implications and legal risks for not authorizing this legislation.

## 4. OTHER IMPLICATIONS

- a. Please describe how this legislation may affect any departments besides the originating department.**

There are financial and operational impacts to Seattle City Light.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No.

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

The collective bargaining agreement includes enhancements to pay and working conditions for employees, which include BIPOC and women employees.

- ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A

- iii. **What is the Language Access Plan for any communications to the public?**

N/A

**d. Climate Change Implications**

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

- e. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

## 5. CHECKLIST

- ☐ **Is a public hearing required?**
- ☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

## 6. ATTACHMENTS

**Summary Attachments:**

Summary Attachment 1 – Bill Draft Local 77 Agreement

Summary Attachment 2 – Bill Draft Local 77 Power Marketers Agreement

## Summary Attachment 3 – Bill Draft Local 77 Material Controllers and Apprenticeship Coordinators Agreement