

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Department of Human Resources	Shaun Van Eyk	Joseph Russell

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to City employment; authorizing the execution of a collective bargaining agreement between The City of Seattle and the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees, Local 21SP; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation authorizes the Mayor to implement a collective bargaining agreement between The City of Seattle (the “City”) and the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees, Local 21SP (“Local 21SP”). This is a new collective bargaining agreement. Local 21SP was certified as the exclusive bargaining representative for all Seattle Public Utilities (“SPU”) Strategic Advisors I, II, and III and Managers I, II, and III. This legislation affects approximately 173 regularly appointed City employees.

The collective bargaining agreement is a one-year agreement on wages, benefits, hours, and other working conditions for the period from January 1, 2022, through December 31, 2022.¹ It provides for a contract signing bonus for employees employed in the Strategic Advisor and Manager classifications at SPU in 2021 equal to 2.9 percent of their base wages from January 1, 2021, through December 31, 2021 (pro-rated for employees who were not employed for the entire year). In 2022, employees’ base wages will increase by 2.9 percent. Beginning in the first full pay period in January 2022, employees will also receive a four percent annual wage adjustment applied to the existing 2021 base wage rates. In addition, employees assigned to perform bilingual, interpretive, and/or translation services for the City will receive \$200 per month premium pay.

Within 90 days of legislation, the SPU General Manager and Chief Executive Officer will review all Strategic Advisor and Manager salaries based on a variety of factors including, but not limited to, historic inequities and salary compression. Employees will have the opportunity to provide input into their adjustments. Any resulting increases will be retroactive to the date of ratification of the agreement. Thereafter, within the first 90 days of each calendar year, the General Manager will conduct an annual evaluation of all Strategic Advisor and Manager salaries based on certain criteria.

The City and Local 21SP agreed to health care cost sharing as follows: the City will pay up to 107 percent of the average employee’s monthly medical, dental, and vision premiums over the

¹ In 2023, the bargaining unit became a signatory to the Coalition of City Unions. A tentative contract is pending member ratification and legislation.

prior calendar year for employees whose health care benefits are governed by the Labor-Management Health Committee. Costs above 107 percent will be covered by the Rate Stabilization Reserve. Once the reserves are exhausted, the City will pay 85 percent and employees will pay 15 percent of any excess costs in health care.

Employees will conduct a vote to determine whether to participate in a Health Reimbursement Account Voluntary Employee Benefits Association (“VEBA”) to provide post-retirement medical expense benefits. If employees vote to require VEBA contributions from unused paid time off, then all employees in the bargaining unit who are eligible to retire 1) contribute 35 percent of their unused sick leave balance into the VEBA upon retirement; 2) contribute 50 percent of their unused vacation leave balance into the VEBA upon retirement; or 3) contribute both 35 percent of their unused sick leave balance and 50 percent of their unused vacation leave balance upon retirement. If employees do not vote to require VEBA contributions from unused sick leave, employees may either 1) transfer 35 percent of their unused sick leave balance to the City’s Voluntary Deferred Compensation Plan, or 2) cash out their unused sick leave balance at 25 percent to be paid on their final paycheck.

The collective bargaining agreement provides for other working conditions. Employees will receive 12 paid holidays, including Juneteenth and Indigenous Peoples’ Day, in addition to two personal holidays for employees with zero to nine years of service, and four personal holidays for employees after completing 18,720 hours of service. Employees may take one day of emergency leave per year in the event of a serious illness or accident of the employee’s immediate family member or when necessary for the employee to be off work in the event of an unforeseen occurrence in the employee’s household, among other items.

This legislation does not appropriate these additional costs; future legislation adjusting appropriations to allow for increased labor costs will be advanced later in 2024. The City Budget Office (CBO) developed the estimates below to approximate the costs of implementing the collective bargaining agreement.

Local 21SP				
		2021 (Year 1)	2022 (Year 2)	2 Year Total 2021-2022
Baseline				
Labor expense actuals		\$24,172,508	\$24,447,989	\$48,620,497
Incremental costs				
2021 - 2.9% (signing bonus, not added to base wages)		\$701,003		\$701,003
2022 - 2.9% + 4% = 6.9%			\$1,686,911	\$1,686,911
Incremental costs for salary increases, all funds		\$701,003	\$1,686,911	\$2,387,914
<i>of which General Fund</i>		<i>\$37,266</i>	<i>\$89,679</i>	<i>\$126,945</i>
Total baseline + incremental costs for salary increases, all funds		\$24,873,511	\$26,134,901	\$51,008,411
<i>of which General Fund</i>		<i>\$1,322,313</i>	<i>\$1,389,371</i>	<i>\$2,711,684</i>
Other expenses				
Emergency Leave ¹			\$91,654	\$91,654
VEBA 35% sick leave ²			\$135,283	\$135,283
Total incremental costs, all funds		\$701,003	\$1,913,848	\$2,614,851
<i>of which General Fund</i>		<i>\$37,266</i>	<i>\$101,743</i>	<i>\$139,009</i>
Total baseline + incremental costs, all funds		\$24,873,511	\$26,361,838	\$51,235,348
<i>of which General Fund</i>		<i>\$1,322,313</i>	<i>\$1,401,435</i>	<i>\$2,723,748</i>

NOTES:

¹Represents one day of emergency leave per employee, per year, using actual salary figures with AWI.

²VEBA @35% based on current demographic employees eligible for retirement both by age AND years of service on 12/31/2022. No tax liability to City.

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

Expenditure Change (\$);	2024	2025 est.	2026 est.	2027 est.	2028 est.
General Fund	101,743	101,743	101,743	101,743	101,743
Expenditure Change (\$);	2024	2025 est.	2026 est.	2027 est.	2028 est.
Other Funds	1,812,105	1,812,105	1,812,105	1,812,105	1,812,105

Revenue Change (\$);	2024	2025 est.	2026 est.	2027 est.	2028 est.
General Fund	0	0	0	0	0
Revenue Change (\$);	2024	2025 est.	2026 est.	2027 est.	2028 est.
Other Funds	0	0	0	0	0

Number of Positions	2024	2025 est.	2026 est.	2027 est.	2028 est.
	0	0	0	0	0
Total FTE Change	2024	2025 est.	2026 est.	2027 est.	2028 est.
	0	0	0	0	0

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Appropriations Notes: The expenditure change amounts listed in the chart above are estimates of the additional cost of the executed collective bargaining agreement. Future legislation adjusting department appropriations to meet the additional cost will be considered in summer 2024.

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.

No.

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.

N/A

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.

This legislation affects employees in the Strategic Advisor I, II, and III and Manager I, II, and III classifications at SPU.

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 agreement provides that the City may open negotiations associated with any changes to mandatory subjects related to Race and Social Justice Initiative (RSJI) efforts.

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

Please click the appropriate box if any of these questions apply to this legislation.

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?**
If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

6. ATTACHMENTS

List Summary Attachments (if any):