

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
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### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to City employment; authorizing execution of a collective bargaining agreement between The City of Seattle and the International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79; 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 (“City”) and the International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79 (“Local 79”). The 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. This legislation affects 30 regularly appointed City employees (19 in Seattle City Light, 10 in Seattle Public Utilities, and 1 in Finance and Administrative Services).

The collective bargaining agreement provides for a one-time 10 percent market rate adjustment in 2023, in addition to a 5 percent wage increase in 2023 and a 4.5 percent wage increase in 2024. In 2025, base wages will be increased by 4 percent with an additional (not compounding) 1 percent added, the total not to exceed 5 percent.

Shift differentials will increase by \$0.25 to \$1.25/hour for swing shift and \$1.75/hour for graveyard shift. Overtime meal payments in lieu of reimbursement will increase from \$6.00 to \$20.00. Effective January 1, 2023, employees who have completed their probationary periods and have been employed by the City for the entire preceding year will receive a \$1,000 tool allowance during the first pay period of each year. Employees will also receive a \$300 footwear allowance in 2023, with an additional \$25 each year thereafter up to a maximum of \$350.

The City and Local 79 agreed to continue health care cost sharing as follows: the City will pay up to 107 percent of the average monthly health care cost over the prior year. 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 of any excess health care costs.

The collective bargaining agreement provides for other working conditions. 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. Juneteenth, observed on June 19, and Indigenous Peoples' Day, observed on the second Monday in October, will be recognized as paid holidays, 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

Labor Relations developed the below estimates to approximate the costs of ratifying the agreement:

3 years					
	2022 (Baseline)	2023 (Year 1)	2024 (Year 2)	2025 (Year 3)	3 Year Total
Wages <sup>1</sup>					
2022 - Baseline	\$5,215,071				
2023 - One-time 10% wage adj		\$521,507			
2023 - 5.0% AWI		\$6,023,407			
2024 - 4.5% AWI			\$6,294,460		
2025 - 5.0% AWI				\$6,609,183	
<b>3 year subtotal</b>					<b>\$18,927,050</b>
Shift differential (incr beginning in 2023) <sup>2</sup>	\$0	\$0	\$0	\$0	\$0
Tool allowance incr to \$1000 (incr beginning in 2023) <sup>3</sup>	\$2,064	\$30,000	\$30,000	\$30,000	\$90,000
Addition of Juneteenth and Indigenous Peoples' Day holiday <sup>4</sup>	\$0	\$0	\$0	\$0	\$0
Funeral/Bereavement Leave (incr in 2025)	\$0	\$0	\$0	\$17,258	\$17,258
Vacation Leave Accrual (incr beginning in 2025)	\$0	\$0	\$0	\$89,266	\$89,266
<b>Total</b>	<b>\$5,217,135</b>	<b>\$6,053,407</b>	<b>\$6,324,460</b>	<b>\$6,745,707</b>	<b>\$19,123,574</b>
<b>Cost over baseline</b>		<b>\$836,272</b>	<b>\$1,107,325</b>	<b>\$1,528,572</b>	<b>\$3,472,169</b>
<b>Cost over baseline as percentage</b>		<b>16.03%</b>	<b>21.22%</b>	<b>29.30%</b>	<b>66.55%</b>

### NOTES:

#### Assumptions do not include vacancies/unfilled positions.

<sup>1</sup> Wages for baseline are from 2022 actual wages paid to all 30 employees, including OT, taxes and retirement. Wage adj in 2023 only.

<sup>2</sup> Increase in shift differentials shown as zero each year, as these differentials were not paid in 2022.

<sup>3</sup> Proposal is to increase the tool allowance to \$1000 per employee per year retroactive to 2023; estimate assumes all 30 employees receive the allowance each year of the contract. There is a tax implication to the city for this allowance.

<sup>4</sup> The addition of the two holidays is not an additional cost to the City, as they are already paid days. There may be OT implications for coverage on those days, but difficult to accurately cost without department data.

<sup>2</sup> Expanded bereavement leave definition is difficult to accurately cost. Estimate is double the 2022 bereavement leave hours paid (232) and uses the yearly average hourly rate with AWIs/taxes/retirement costs factored in each year.

<sup>3</sup> Updated vacation accrual is difficult to accurately cost. Estimate uses average years of service for this bargaining unit (~9 yrs) and the increased accrual rate for this level of years of service (additional 40 hours per year per employee) to calculate, including AWIs/taxes/retirement costs factored in each year.

Separate, future legislation, as required, will be forwarded by the City Budget Office to authorize additional appropriations for City departments. Ultimately, the overall costs of this agreement will be borne mostly by City Light and SPU rate payers, both commercial and residential.

### **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.**

Separate, future legislation, as required, will be forwarded by the City Budget Office to authorize additional 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.**

Separate, future legislation, as required, will be forwarded by the City Budget Office to authorize additional appropriations for City departments.

**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.

**Please describe how this legislation may affect any City departments other than the originating department.**

There are financial and operational impacts to Seattle City Light, Seattle Public Utilities, and Finance and Administrative Services, where Local 79 members are employed.

### **4. OTHER IMPLICATIONS**

**a. Is a public hearing required for this legislation?**

No.

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

No.

**c. Does this legislation affect a piece of property?**

No.

**d. 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.**

This collective bargaining agreement include enhancements to pay and working conditions for union members, some of whom are BIPOC and women.

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

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

**e. 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.**

No.

- f. 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

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No.

## 5. ATTACHMENTS

### **Summary Attachments:**

Summary Attachment 1 – Bill Draft Agreement By and Between The City of Seattle and  
International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79