

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

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 Seattle Police Management Association to be effective January 1, 2020 through December 31, 2023; 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 Seattle Police Management Association (SPMA). The collective bargaining agreement is a four-year agreement on wages, benefits, hours, and other working conditions for the time period January 1, 2020, through December 31, 2023. This legislation affects approximately 80 regularly appointed City employees.

The collective bargaining agreement provides for wage adjustments of 2.7 percent in 2020, 1.9 percent in 2021, and 4 percent in 2022. In 2023, wages shall be adjusted 100 percent of the increase of the Seattle CPI-W (Consumer Price Index) for June 2021 over June of the 2020, with a “floor” of 1.5 percent and a “ceiling” of 4 percent. Effective in 2022, the Precinct Captain premium will increase from 5 percent to 6 percent; and Watch Commanders will begin receiving a premium of 3 percent. Watch Commanders who regularly wore body-worn video between December 25, 2019, and the date of ratification will receive a 2% premium. Effective upon ratification, members who are required to wear the video will receive a 2% premium; which shall terminate on January 3, 2023.

The City and union agreed to continue health care cost sharing the same as 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 parties negotiated other working conditions, effective upon implementation, including:

- Cash out of sick leave upon retirement to a VEBA account to pay for healthcare costs at the following rates: 25% for hours 0 to 400; 50% for hours 401 to 800; and 75% for hours above 801.
- The deferred compensation match will increase from 2 percent to 3 percent of the top step base salary of Police Lieutenant.
- Flextime will be capped at 200 hours, and will be controlled and managed by the Seattle Police Department. As part of the transition to the 200 hour cap, Flextime between 200-

384 hours can be cashed out at 35% at the start of the transition. Flextime over 384 hours or Flextime cashed out at the end of the transition may be cashed out at 25%.

- Addition of Juneteenth and Indigenous Peoples’ Day as paid holidays.
- The option to cash out executive leave annually will be increased from 10 hours to 16.

2. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

** Please note that this section was authored by Central Staff Aly Pennucci and Greg Doss and approved by the City Budget Office on May 20, 2022.

The aggregate annual costs for the SPMA collective bargaining agreement are estimated to grow from \$18.4 million in 2019 to \$21.14 million in 2023. The estimated cost increases¹ to the City are as follows:

<i>\$'s in 000s</i>	2019 (Baseline)	2020 (Year 1)	2021 (Year 2)	2022 (Year 3)	2023 (Year 4)	4 Year Total
Total Cost	\$18,409	\$18,905	\$19,265	\$20,442	\$21,140	\$79,752
Cost over baseline		\$498	\$856	\$2,033	\$2,731	\$6,118

The City is currently holding funds in the General Fund’s planning reserves to cover the costs of implementing the SPMA contract. However, the Executive has indicated that it intends to instead use sworn salary savings in SPD’s Adopted Budget to fund the \$3.39 million that is required to pay SPMA members for retroactive and current wage adjustments through the end of 2022. Therefore: (1) it becomes unnecessary for the Executive to request in separate legislation or a supplemental budget additional appropriation authority for SPD to cover the cost of the SPMA contract; and (2) the funds held in planning reserves could be appropriated for other purposes or used to mitigate the impacts of the anticipated gap in GF revenues and expenditures in 2023 and 2024. Future (2023) contract costs will be appropriated through the 2023 budget process.

As noted in Central Staff’s SPD 2022 Q1 Sworn Staffing Report posted to the April 26 Public Safety and Human Services (PSHS) Committee agenda, staff estimates that, based on hiring to date, \$4.5 million in SPD salary savings is currently available. If these one-time funds are used to cover the 2020-2022 costs of implementing the SPMA contract, the estimated salary savings in SPD’s 2022 budget would decrease from an estimated \$4.5 million to \$1.11 million.

¹ The annual cost increases are calculated by subtracting the 2019 baseline budget for employees represented by SPMA from the estimated annual cost of implementing the four-year SPMA contract.

The 2022 Adopted Budget includes a proviso (SPD-003-B-001) that restricts SPD's ability to expend its sworn salary savings without future appropriation from the Council. On May 10, 2022, the PSHS Committee recommended approval of Resolution 32050 and Council Bill 120320. Resolution 32050 states the Council's intent to modify the proviso to authorize using these funds for staffing incentives and a recruitment support program in SPD. Council Bill 120320 provides authorization to use up to \$1,150,000 of the funds for:

- (1) An additional recruiter position in SPD;
- (2) A national ad campaign to market police officer positions to potential candidates;
- (3) A national search to hire a permanent Chief of Police; and
- (4) Moving expenses for new police officer hires in 2022;

As noted above, SPD will have \$1.1 million remaining in salary savings to fund items that are specified in Resolution 32050 and/or CB 120320. The Executive's use of salary savings on items 2-4 above will affect its ability to use remaining salary savings for staffing incentive programs. Additional spending on staffing incentives would require additional savings in SPD (sworn salary savings or other savings) or additional appropriations provided in a supplemental budget.

Are there financial costs or other impacts of *not* implementing the legislation?

If the agreement is not legislated, employees will continue to receive the same wages that became effective on December 26, 2018. There may be other risks associated with not implementing the legislation.

3. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes, there are costs and operational impacts to Seattle Police Department.

b. Is a public hearing required for this legislation?

No.

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

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

Further implementation of the accountability ordinance and the City's commitment to constitutional policing has a positive effect on vulnerable or historically disadvantaged communities.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

N/A

2. 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

g. 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)?

N/A

Summary Attachments:

Summary Attachment 1 – Bill Draft of Agreement with SPMA