

SUMMARY and FISCAL NOTE*

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

** 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 International Association of Fire Fighters, Local 27 AFL-CIO-CLC; 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 International Association of Fire Fighters, Local 27 (“Local 27”). The collective bargaining agreement is a five-year agreement on wages, benefits, hours, and other working conditions for the period from December 22, 2021, through December 31, 2026. This legislation impacts an estimated 974 active and 292 former regularly appointed City employees in the Seattle Fire Department (“SFD”).

The collective bargaining agreement provides for a market adjustment of 0.5 percent plus an annual wage increase of 100 percent of the percentage increase in the Seattle-Tacoma-Bellevue Area Consumer Price Index (CPI) for June 2021 over the same index for June 2020, with a minimum 2 percent increase and a maximum 4 percent increase, effective December 22, 2021.

For Fire Fighters, the top step will be increased by 100 percent of the percentage increase in the Seattle-Tacoma-Bellevue Area CPI for June 2022 over the same index for June 2021, with a minimum 2 percent increase and a maximum 2.5 percent increase, effective December 21, 2022; by 100 percent of the percentage increase in the Seattle-Tacoma-Bellevue Area CPI for June 2023 over the same index for June 2022, with a 2 percent minimum increase and a maximum 4 percent increase, effective December 21, 2023; by 100 percent of the percentage increase in the Seattle-Tacoma-Bellevue Area CPI for June 2024 over the same index for June 2023, with a minimum 2 percent increase and a maximum 4 percent increase, effective December 20, 2024; and by 100 percent of the percentage increase in the bi-monthly Seattle-Tacoma-Bellevue Area CPI for June 2025 over the same index for June 2024, with a minimum 2 percent increase and a maximum 4 percent increase, effective December 18, 2025.

The collective bargaining agreement provides that if the percentage increase in the Seattle-Tacoma-Bellevue Area CPI for June of a year over the same index for June of the previous year exceeds the agreed upon Annual Wage Increase (“AWI”) maximum in any year, the percentage above the maximum will be banked and added to any remaining amount and shall be available to be applied, in addition to the CPI-W amount, in any subsequent year in which that CPI-W is below the minimum. Effective December 22, 2021, 2.3 percent will be added to the AWI bank. For Fire Fighters, effective December 21, 2022, 7 percent will be added to the AWI bank, for a

total of 9.3 percent; effective December 21, 2023, 0.5 percent will be added to the AWI bank, for a total of 9.8 percent; effective December 20, 2024, the AWI bank will not exceed 9.8 percent; and effective December 18, 2025, the AWI bank will not exceed 9.8 percent. In years where the CPI is below 4 percent, the bank will be drawn down to make up the difference in the CPI up to a total of 4 percent.

In 2022, employees who have a current emergency medical technician certificate (EMT-B and EMT-P) will receive an additional 3.0 percent of the base monthly, top step salary for Fire Fighter. In 2023, the EMT specialty pay rate will be 6.5 percent.

The City will continue to contribute to Local 27 members' health care plan, which is administered outside of and separate from the City's self-insured and HMO plans. The City will pay at least 107 percent, but no more than 110 percent, of the amount paid in the previous year by the City per member per month, plus 85 percent of the difference between the average national healthcare trend and seven percent.

The collective bargaining agreement provides for other working conditions. Other than for shift extension time, members working outside of their regular hours will be hired for overtime or assigned work for a minimum of 4 hours, except that participation in virtual meetings will be paid for actual time worked, rounded up to the next half hour. During every two-year period beginning on January 1, 2017, and upon assignment to Operations, current members will be eligible to receive two pairs of approved pants, two approved shirts, or one pair of approved pants and one approved shirt. Juneteenth (June 19) and Indigenous Peoples' Day, observed on the second Monday in October, will be recognized as additional paid holidays. (SFD's costs for these new holidays for Fire Fighters were estimated at approximately \$210,000 per year in 2022. These costs are not included in the table below as they have been previously appropriated.)

Additionally, members may be required to participate in a maximum of 16 hours per year of required off-shift training related to human resources, race and social justice, and/or leadership topics. The City may create up to four Battalion 3 Lieutenant Paramedic Field Training Officers (FTO), one for each platoon, and the City and Local 27 agree that a Battalion 3 Medical Service Officer (MSO) rotation program will be developed collaboratively. A Battalion Chief training program is further established to prepare Captains for promotion to Battalion Chief or to act as Battalion Chief, among other items.

The total cost of implementing retroactive market adjustments in 2022 through 2023 is estimated to be \$22,300,000. In 2024, the additional budget needed to fully fund all positions under these titles is \$21,400,000. In total, estimated costs for 2022 through 2026 are \$106,500,000:

Local 27 Final Contract, Cost to Seattle Fire Department, CBO estimate (\$1,000)						
	2022 (Year 1)	2023 (Year 2)	2024 (Year 3)	2025 (Year 4)	2026 (Year 5)	5 Year Total 2022-2026
Incremental costs						
2022 - 4.0% AWI (2% floor, 4% max) + 0.5% mkt adj	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$32,500
2023 - 2.5% AWI (2% floor, 4% max) + 3.0% EMT prm	\$0	\$8,300	\$8,300	\$8,300	\$8,300	\$33,200
2024 - 4.0% AWI assumed (2% floor, 4% maximum)	\$0	\$0	\$6,300	\$6,300	\$6,300	\$18,900
2025 - 4.0% AWI assumed (2% floor, 4% maximum)	\$0	\$0	\$0	\$6,600	\$6,600	\$13,200
2026 - 4.0% AWI assumed (2% floor, 4% maximum)	\$0	\$0	\$0	\$0	\$6,800	\$6,800
Longevity premium adjustment (beginning in 2022)	\$600	\$400	\$300	\$300	\$300	\$1,900
Eliminate Debit Days in Staff 10 (beginning in 2022)	\$0	\$0	\$0	\$0	\$0	\$0
Total incremental costs	\$7,100	\$15,200	\$21,400	\$28,000	\$34,800	\$106,500

Appropriations needed to support one-time payments for pay increases retroactive to January 1, 2022 through December 31, 2023, as well as the additional budget authority needed to pay increased wages in 2024, will be appropriated to SFD via legislation in the first half of 2024. Increased ongoing costs will be included in the 2025-2026 Proposed Budget.

These costs are estimated based on adjustments to current budget levels. The above-referenced 2024 legislation will be more precise as actual costs for each current and separated employee covered by the CBA are determined.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. 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?
 No. The costs of executing the MOA are detailed above.

Are there financial costs or other impacts of *not* implementing the legislation?
 If the contract is not legislated, employees would continue to receive the same wages that became effective on December 23, 2020.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
Yes, the collective bargaining agreement is directly related to costs at SFD. Therefore, there are financial and operational costs to SFD.
- 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?**
The collective bargaining agreement notes that the City, Local 27, and SFD shares a commitment to attracting and retaining a skilled workforce that reflects the diversity of the community, and will continue to partner in recruitment and workforce development initiatives to increase the participation of historically marginalized groups in fire protection and emergency medical services. Additionally, the collective bargaining agreement provides that management may require members to participate in a maximum of 16 hours of off-shift training related to human resources, leadership, and/or race and social justice topics.
- f. Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No.
 - 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.**
No.
- 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)?**
Not applicable.

Summary Attachments:

Summary Att 1 – Bill Draft Version of Local 27 Agreement