



To: Elizabeth Pauli, City Manager

From: Katie Johnston, Budget Officer

Date: December 12, 2021

Subject: Fiscal Impact of Local 6 Police I.U.P.A 2021-2023 Collective Bargaining Agreement

Overview

The following provides an estimated fiscal impact of an agreement between the City of Tacoma and the Tacoma Police Local 6 I.U.P.A. for the terms of the 2021-2023 Collective Bargaining Agreement.

Financial Impact

- Retroactive to January 1, 2021, wages shall be increased by six and one-tenth percent (6.1%).
- Effective January 1, 2022, wages shall be increased by seven and one-tenth percent (7.1%)
- Effective January 1, 2023, wages shall be increased by 100% of CPI-W; Minimum of one percent (1.0%); Maximum of five percent (5.0%).

Fund/Department	2021 Budgeted FTE	2021 Proposed Incremental Expense	2022 Proposed Incremental Expense	2023 Proposed Incremental Expense
General Fund	313	\$3,781,400	\$6,666,800	\$8,833,900
Other General Government Funds	9	108,200	190,300	252,100
Total	322	\$3,889,600	\$6,857,100	\$9,086,000

The Local 6 proposal would contractually increase Local 26 and PPSMA Wages:

Fund/Department	2021 Budgeted FTE	2021 Proposed Incremental Expense	2022 Proposed Incremental Expense	2023 Proposed Incremental Expense
General Fund	25	\$481,600	\$844,800	\$1,119,500
Other General Government Funds	4	93,000	162,900	215,800
Total	29	\$574,600	\$1,007,700	\$1,335,300

Voluntary Employee Beneficiary Association (VEBA)

Effective January 1, 2022, or the first of the month following the ratification date of the Agreement, the Union will forego one percent (1.0%) of the bargaining units' salary from three-quarters of one percent (.75%).

This increase in forgone wages will save approximately \$120,000 per year.



Deferred Compensation

On the first pay period following the ratification date of the Agreement, or as soon as practicable, the City will match an employee’s deferred compensation contribution to a maximum City contribution of two hundred and eleven dollars (\$211) from one hundred ninety-two dollars (\$192).

This increase will cost approximately \$73,400 dollars per year.

Monthly Employee Premium for Insurance Contributions

Effective January 1, 2022, employee health care premium share will increase to fifty dollars (\$50) per month for individual coverage and one hundred dollars (\$100) per month for family coverage from forty dollars (\$40) and eighty dollars (\$80) respectively.

This is expected to result in \$4,000 in additional annual revenue to the health care trust fund that will be used to offset growing health care costs.

Funding for 2021-2023

The incremental increases are partially budgeted in the Adopted 2021-2022 Budget and will be incorporated into the 2023-2024 Proposed Biennial Budget. The department will be responsible for adhering to their overall level of appropriation.

CC:

- Dylan Carlson, Lead Labor Negotiator
- Karen Short, Senior Human Resource Analyst
- Jen Watts, Labor Relations Analyst
- Hayley Falk, Lead Management Analyst