



To: Dylan Carlson, Senior Labor Relations Manager

From: Katie Johnston, Budget Officer

Date: October 14, 2019

Subject: **Fiscal Impact of 2020-2021 Joint Labor Collective Bargaining Agreement**

Overview

The following provides an estimated fiscal impact of the successor collective bargaining agreement for 2020-2021 between the City of Tacoma and the Tacoma Joint Labor Committee. The fiscal impact calculations herein assume that non-represented employees receive the same health care related benefits as those represented by the Tacoma Joint Labor Committee and that individual collective bargaining units with existing contract language relating to health care premiums are respected.

Fiscal Impact

1. Effective January 1, 2020, meal allowances shall be increased to \$18 per meal unless a collective bargaining agreement allows for a higher amount. The estimates below are based on previous usage and will vary based on shift scheduling and other factors.

Fund/Department	Estimated Incremental 2020 Expense	Estimated Incremental 2021 Expense
General Fund	\$100	\$100
Environmental Services	7,500	7,500
General Fund Supported	600	600
All Other General Government	600	600
Tacoma Public Utilities	1,900	1,900
Total	\$10,700	\$10,700



- 2. Effective January 1, 2020, eligible part-time employees working 30 hours per week or more will be eligible for full-time medical benefits. The incremental cost per employee varies based on whether or not they currently elect medical coverage.

Fund/Department	Number of Employees	Estimated Incremental 2020 Expense	Estimated Incremental 2021 Expense
General Fund	-	\$ -	\$ -
Environmental Services	1	5,300	5,600
General Fund Supported	-	-	-
All Other General Government	10	55,000	58,000
Tacoma Public Utilities	8	107,000	113,000
Total	19	\$167,300	\$176,600

- 3. Effective January 1, 2020, select plan design changes for medical, dental, and vision coverages take effect. A bariatric surgery benefit takes effect January 1, 2021.

Fund/Department	Number of FTEs	Estimated Incremental 2020 Expense	Estimated Incremental 2021 Expense
General Fund	653.1	\$34,000	\$93,000
Environmental Services	508.8	26,000	73,000
General Fund Supported	170.8	9,000	24,000
All Other General Government	699.8	36,000	100,000
Tacoma Public Utilities	1,500.7	78,000	215,000
Total	3,533.3	\$183,000	\$505,000



- 4. Effective January 1, 2021, employee health care premium share will increase to \$50 per month for individual coverage and \$100 per month for family coverage. This is expected to result in \$654,000 in additional revenue to the health care trust fund that will be used to offset growing health care costs.

Summary of Additional Expenses

Fund/Department	Estimated Incremental 2020 Expense	Estimated Incremental 2021 Expense
General Fund	\$34,100	\$93,100
Environmental Services	38,800	86,100
General Fund Supported	9,600	24,600
All Other General Government	91,600	158,600
Tacoma Public Utilities	186,900	329,900
Total	\$361,000	\$692,300

Funding for 2019-2020 and 2021-2022

The 2020 cost of the negotiated increase is included in the 2019-2020 Adopted Budget and will be included in the 2021-2022 Proposed Budget.

CC: Karen Short, Senior Human Resources Analyst
 Dylan Carlson, Lead Labor Negotiator
 Sam Bencoter, Lead Management Analyst
 Hayley Falk, Management Analyst