



To: Elizabeth Pauli, City Manager

From: Reid Bennion, Budget Officer

Date: December 11, 2023

Subject: Fiscal Impact of Local 6 Police I.U.P.A 2024-2026 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 2024-2026 Collective Bargaining Agreement.

General Wage Adjustments

- Retroactive to January 1, 2024, wages shall be increased by six and five-tenths percent (6.5%).
- Effective January 1, 2025, wages shall be increased by seven percent (7%)
- Effective January 1, 2026, wages shall be increased by the amount resulting from CPI/1st place market ranking calculation as defined in Appendix A, Paragraph B.

Local 6 Wages:

Fund/Department	2024 Budgeted FTE	2024 Proposed Incremental Expense	2025 Proposed Incremental Expense	2026 Proposed Incremental Expense
General Fund	320	\$5,073,000	\$8,432,000	\$10,998,000
General Fund Supported	8	\$129,000	\$215,000	\$280,000
Total	328	\$5,202,000	\$8,647,000	\$11,278,000

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

Fund/Department	2024 Budgeted FTE	2024 Proposed Incremental Expense	2025 Proposed Incremental Expense	2026 Proposed Incremental Expense
General Fund	24.75	\$631,000	\$1,054,000	\$1,377,000
General Fund Supported	0.25	\$7,000	\$11,000	\$15,000
Total	25	\$638,000	\$1,065,000	\$1,392,000

Voluntary Employee Beneficiary Association (VEBA)

Effective January 1, 2024, the City’s monthly contribution made into approved retirees’ VEBA accounts will be \$597.

This increase in monthly contributions is likely to result in an additional cost of about \$13,000 in 2024, \$27,000 in 2025, and \$43,000 in 2026. The approximate total cost of the change will be about \$83,000.



Deferred Compensation

Effective upon ratification by the City Council, the city will match an employee's contribution deferred compensation to a maximum contribution of \$238 per pay period. (An increase from \$211.)

This increase in deferred contribution is likely to result in an increase of \$230,000 per year.

Sick Leave Cash-Out – Section 10.2

Effective upon City Council ratification, an employee separated from service due to death or retirement for disability or length of service retirement shall have their sick leave cashed out and deposited into the employee's PORAC – RMT account according to the following tiers:

- At the rate of twenty – five percent (25%) for hours 1 through 400
- At the rate of thirty-three percent (33%) for hours 401 through 800
- At the rate of fifty percent (50%) for the hours of 801 and above

Given the unpredictable nature of when and how people separate from the City, we cannot accurately determine the specific annual costs in 2024, 2025, and 2026. Based on historical data from 2020 to 2023, staff projects that this proposal may result in \$272,000 in additional costs over the course of this agreement.

One-time Contribution – Section 10.6.1

Effective upon ratification by City Council, the City will make a one-time contribution of \$500 on behalf of each LEOFF II employee of the bargaining unit to each employee's individual PORAC RMT account.

This is expected to result in \$177,000 in additional costs in 2024.

Application of Rate

- Section 23.4: Eliminate the Police Patrol Specialist (PPS) program (5% AOR) through attrition and create a full-time Police Training Officer (PTO) program 4% AOR for all hours worked.
- 23.20: Add Marine Services Unit (MSU) to 5% AOR. Employees assigned to the Search and Rescue (SAR), Dive and/or MSU teams will only be eligible for one application of rate under this section.



For Local 6, eliminating the PPS program through attrition and creating a full-time PTO will likely result in cost savings each year from 2024 to 2026:

Fund/Department	2024 Budgeted FTE	2024 Proposed Incremental Expense	2025 Proposed Incremental Expense	2026 Proposed Incremental Expense
General Fund	34	(\$55,000)	(\$58,000)	(\$60,000)
Total	34	(\$55,000)	(\$58,000)	(\$60,000)

For Local 6, adding MSU to 5% AOR will likely result in additional costs each year from 2024 to 2026:

Fund/Department	2024 Budgeted FTE	2024 Proposed Incremental Expense	2025 Proposed Incremental Expense	2026 Proposed Incremental Expense
General Fund	15	\$120,000	\$129,000	\$133,000
Total	15	\$120,000	\$129,000	\$133,000

Tuition Reimbursement – Article 32

Increase tuition reimbursement to \$35,000 per year. (An increase from \$25,000.)

This is expected to result in \$30,000 in additional costs over the course of this agreement.

Funding for 2024-2026

The incremental increases are partially budgeted in the Adopted 2023-2024 Budget and will be incorporated into the 2025-2026 Proposed Biennial Budget.

CC:

- Dylan Carlson, Lead Labor Negotiator
- Karen Short, Senior Human Resource Analyst
- Jen Watts, Labor Relations Analyst
- Michelle Woodrow, Public Safety Labor Negotiator
- Brian Schwall, Management and Budget Analyst