



To: Kari Louie, Senior Compensation & Benefits Manager
From: Katie Johnston, Budget Manager *KJ*
Date: June 8, 2018
Subject: **Fiscal Impact of Local 26 I.U.P.A. Police Management Association Collective Bargaining Agreement**

Overview

The following provides an estimated fiscal impact of the ratified successor collective bargaining agreement between the City of Tacoma and Local 26 Police Management Association for the years 2018-2020.

The contract includes one-time and ongoing costs; they are each explained and shown below in aggregate:

Fiscal Impact: Ongoing Costs

Wages:

- Effective January 1, 2018, and retroactive for all bargaining unit members who were employed in 2018, wages shall be increased by three percent (3.0%).
- Effective January 1, 2019, wages shall be increased as required to maintain the indexing provision of the agreement (Appendix A, Section 2). Wage increases are unknown at this time so are not included in the fiscal impact below.
- Effective January 1, 2020, wages shall be increased as required to maintain the indexing provision of the agreement (Appendix A, Section 2). Wage increases are unknown at this time so are not included in the fiscal impact below.

Deferred Compensation:

- Effective the month following City Council adoption of the successor bargaining agreement (assumed July 2018), the deferred compensation match with increase from \$204.50 per pay period to \$217 per pay period.

VEBA:

- Effective the month following City Council adoption of the successor bargaining agreement (assumed July 2018), the contribution to the individual VEBA will increase from \$100 per month to \$250 per month for each active member of the bargaining unit.

Merit Allowance:

- Effective January 1, 2018 the merit allowance shall be increased from \$3,750 per year to \$4,250 per year.



Fund/Department	2018 FTE	2018 Incremental Expense	2019-2020 Incremental Expense
General Fund	16.0	\$103,400	\$240,800
Other General Government Funds	2.0	12,965	30,180
Total	18.0	\$116,365	\$270,980

The cost of the adjustments in 2018 are not fully budgeted in the 2017-2018 Current Budget, but will be offset by Police Department expenditure savings. The cost of the adjustments in 2019 and 2020 will be included in the 2019-2020 Proposed Budget.

Fiscal Impact: One-Time Costs

VEBA:

- A one-time contribution of \$1,500 will be made to the individual VEBA account for each active employee in the bargaining unit as of January 1, 2018.

Fund/Department	2018 FTE	2018 Expense
General Fund	16.0	\$24,000
Other General Government Funds	2.0	3,000
Total	18.0	\$27,000

Fiscal Impact: All Costs

Fund/Department	2018 FTE	2018 Incremental Expense	2019-2020 Incremental Expense
General Fund	16.0	\$127,400	\$240,800
Other General Government Funds	2.0	15,965	30,180
Total	18.0	\$143,365	\$270,980



Professional Public Safety Management Association (PPSMA) Parity and Differentials for Police Department Positions

- Effective January 1, 2018, wages for Police Department PPSMA positions shall be increased by three percent (3.0%).

Fund/Department	2018 FTE	2018 Incremental Expense
General Fund	3.0	\$47,600
Total	3.0	\$47,600

The cost of the wage adjustments in 2018 are not fully budgeted in the 2017-2018 Current Budget, but will be offset by expenditure savings.

Cc: Gary Buchanan, Human Resources Director
 Bill Fosbre, City Attorney
 Karen Short, Senior Human Resources Analyst
 Cecily Hutton, Labor Negotiator
 Kendra McCoy, Labor Analyst