



To: Elizabeth Pauli, City Manager
From: Katie Johnston, Budget Officer
Date: August 6, 2021
Subject: Fiscal Impact of Local Professional Public Safety Management Association (PPSMA) 2021-2023 Collective Bargaining Agreement

Overview

City of Tacoma and the Professional Public Safety Management Association bargaining unit have reached a tentative agreement on a successor collective bargaining agreement (CBA) effective January 1, 2021 through December 31, 2023.

Fiscal Impact

Wages

Step	Indexing Provision	Index %
(1) Police:	Top step of Assistant Police Chief (CSC 0770) above the top step of Police Captain (CSC 4205)	28%
(2) Police: (new)	Top step of Deputy Police Chief (CSC XXXX) above the top step of Assistant Police Chief (CSC 0770)	7.5%
(3) Fire:	Top step of Assistant Fire Chief (CSC 0764) above the top step of Fire Battalion Chief "40-hour" (CSC 4004F)	28%
(4) Fire:	Top step of Deputy Fire Chief (CSC 0765) above the top step of Assistant Fire Chief (CSC 0764)	7.5%

Fund/Department	2021 FTE	2021 Proposed Incremental Expense	2022 Proposed Incremental Expense
General Fund	10	\$58,400	\$219,600
Total	10	\$58,400	\$278,400

Lump Sum Payment

Upon ratification, bargaining unit employees who are actively employed as of the date of ratification by the Union of this Agreement shall receive a one-time lump sum payment of four hundred dollars (\$400.00).

Approximate Incremental Cost of \$4,000

Deferred Compensation

The City's deferred compensation contribution, with or without employee match, will **increase from \$217.00 to \$238.00** per pay period.

Approximate Annual Incremental Cost of \$5,500



Monthly Employee VEBA Contribution

Effective upon ratification the employee standard monthly VEBA deduction will **increase to \$225.00**.

No Fiscal Impact to City

Annual PTO Cash Out to VEBA (Sect. 9.2)

In January of each year, the City will administer the annual PTO cash out to VEBA in accordance with Sect. 9.2 of the CBA, with the addition of **two new cash out options, determined by annual election**:

- 100% to VEBA (**new**)
- 50% to VEBA / 50% traditional cash out
- 100% traditional cash out (**new**)

No Fiscal Impact to City

PTO and Sick Leave deposit to VEBA at Retirement (Sect. 9.3)

Effective January 1, 2021, an employee separated from service due to death or retirement for disability or length of service is compensated to the following extent of their sick leave accruals:

- Accumulated sick leave between 0 and 400 hours shall be cashed out at 25%.
- Accumulated sick leave hours between 401 and 800 shall be cashed out at 33%.
- Accumulated sick leave hours above 801 shall be cashed out at 50%.

An employee separated in good standing from service for any other reason is compensated to the extent of ten (10) percent of their sick leave accruals, up to a maximum accrual of 1,920 hours or one hundred twenty (120) days.

This subsection shall be applied consistent with Article 13, Section 13.2 – Sick Allowance of the Tacoma Firefighters Union Local 31 collective bargaining agreement.

Approximate Incremental Cost \$60,300

Voluntary Employee Beneficiary Association (VEBA) (Addendum 2)

- Payments to approved retirees' VEBA accounts will **increase from \$500.00 to \$575.00** per month.
- The VEBA retirement program will increase from two (2) **up to three (3)** eligible LEOFF Plan 2 employees each year, one (1) from Police, one (1) from Fire, and one (1) from either Police or Fire. Any changes to the maximum number of employees who may apply for this program will require mutual agreement between the parties.
- To be eligible for the program, employees must be at least fifty-three (53) years of age. In addition, employees must now have an age + years of service totaling at least **seventy-five (75)** or higher.

Approximate Annual Incremental Cost of \$78,000

The incremental increases are partially budgeted in the Adopted 2021-2022 Budget. The departments will be responsible for adhering to their overall level of appropriation.

Cc: Dylan Carlson, Lead Labor Negotiator
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