



To: Joy St. Germain, Human Resources Director
From: *TW* Tadd Wille, Budget Officer
Date: January 22, 2014
Subject: **Fiscal Impact of Non-Represented Employee Wage Increase for 2014**

Overview

The following provides a financial analysis for wage increases for non-represented employees for 2014.

Fiscal Impact Assumption for 2014

The proposed ordinance addresses non-represented classification wages for 2014, using an average of a 3 percent increase per employee, and distributes the equivalent total in the following manner:

- Employees in classifications identified as being at or above the market will receive a one-time lump sum payment equivalent to 1 percent of their base pay for 2013.
- Employees in classifications identified as below the market will receive a market-based wage adjustment to base salary up to a maximum of 3 percent, plus a one-time lump sum payment equivalent to 1 percent of their base pay for 2013.
- Employees in classifications identified as having compression issues with represented classifications will receive a special adjustment up to a cap of 4 percent. Employees in these classifications would not be eligible for a one-time lump sum payment.

Impact Analysis for 2014

Fund/Department	FTE	<i>Recurring Wage Adjustment Cost</i>	<i>One-Time Lump Sum</i>	2014 Total Incremental Cost
General Fund	156.7	\$ 316,739	\$ 160,799	\$ 477,538
General Government Utilities	100.7	236,520	83,323	319,844
Other General Government Funds	150.8	297,586	144,611	442,198
Tacoma Public Utilities	429.0	1,245,724	423,504	1,669,228
Total	837.2	\$ 2,096,570	\$ 812,237	\$ 2,908,808

Funding for 2014

Costs for increased wages in the General Fund and all Other General Government Funds will be covered through 2014 health benefit savings as well as savings from a one month health care holiday. Tacoma Public Utilities will utilize funds currently in the 2013/2014 Budget for wage increases.