



To: Joy St. Germain, Human Resources Director

From: *TW* Tadd Wille, Budget Officer

Date: January 8, 2014

Subject: **Fiscal Impact of Local 6 Police, Local 26 Police Management Association, and Professional Public Safety Managers Association (PPSMA) Wage Increase for 2013-2014**

**Overview**

The following provides a financial analysis for wage increases for Local 6 Police, Local 26 Police Management Association, and Professional Public Safety Managers Association (PPSMA) effective January 1, 2013 and January 1, 2014.

Effective January 1, 2013 an additional 2.5% wage increase.  
Effective January 1, 2014 a 1.2% wage increase.

**Combined Fiscal Impact for 2013**

Fund/Department	FTE	2013 Budgeted Expense	2013 Actual Expense	Variance over/(under) Budget
General Fund	314.4	\$ 1,631,978	\$ 2,335,417	\$ 703,440
General Government Utilities	0.0	0	0	0
Other General Government Funds	28.6	151,033	210,206	59,174
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>343.0</b>	<b>\$ 1,783,011</b>	<b>\$ 2,545,623</b>	<b>\$ 762,613</b>

Departments will work to manage the cost within their existing budget.

**Combined Fiscal Impact for 2014**

Fund/Department	FTE	2014 Budgeted Expense	2014 Actual Expense	Variance over/(under) Budget
General Fund	315.0	\$2,916,723	\$2,550,886	\$ (365,838)



General Government Utilities	0.0	0	0	0
Other General Government Funds	28.0	264,215	230,652	(33,563)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>343.0</b>	<b>\$ 3,180,938</b>	<b>\$ 2,781,537</b>	<b>\$ (399,401)</b>

Each union's impact will be detailed below.



**Local 6 Police Fiscal Impact Assumption for 2013**

Effective January 1, 2013 wage rates for Local 6 Police have been negotiated to increase by an additional 2.5%. This wage increase is in addition to the 6.3% wage increase effective January 1, 2013. Local 6 also deferred 1% of their annual salary in 2013 to a VEBA retirement benefit.

**Impact Analysis for 2013**

Fund/Department	FTE	2013 Budgeted Expense	2013 Actual Expense	Variance over/(under) Budget
General Fund	293.4	\$ 1,453,806	\$ 2,184,163	\$ 730,357
General Government Utilities	0.0	0	0	0
Other General Government Funds	24.6	116,002	179,928	63,926
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>318.0</b>	<b>\$ 1,569,807</b>	<b>\$ 2,364,091</b>	<b>\$ 794,283</b>

A 5.3% increase was budgeted for Local 6 Police in 2013, thus any variance over or under the budget is directly linked to the additional 2.5% increase.

**Funding for 2013**

The total estimated cost in 2013 for salaries and wages for Local 6 Police including the additional 2.5% increase discussed above is \$39,458,790 (\$36,442,163 General Fund, \$3,016,628 other general government funds). The total cost of the negotiated increase is partially included in the 2013-2014 budget. The department will work to manage the cost within their existing budget.





**Local 6 Police Fiscal Impact Assumption for 2014**

Effective January 1, 2014 wage rates for Local 6 Police have been negotiated to increase 1.2%. Local 6 will defer 1% of their annual salary in 2014 to a VEBA retirement benefit.

**Impact Analysis for 2014**

Fund/Department	FTE	2014 Budgeted Expense	2014 Actual Expense	Variance over/(under) Budget
General Fund	294.0	\$ 2,621,972	\$ 2,373,895	\$ (248,077)
General Government Utilities	0.0	0	0	0
Other General Government Funds	24.0	207,690	193,692	(13,998)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>318.0</b>	<b>\$ 2,829,662</b>	<b>\$ 2,567,587</b>	<b>\$ (262,075)</b>

**Funding for 2014**

The total estimated cost in 2014 for salaries and wages for Local 6 Police including the 1.2% increase discussed above is \$40,666,433 (\$37,631,321 General Fund, \$ 3,035,112 other general government funds). The total cost of the negotiated increase is included in the 2013-2014 budget.



**Local 26 Police Management Fiscal Impact Assumption for 2013**

Effective January 1, 2013 wage rates for Local 26 Police Management have been negotiated to increase by an additional 2.5%. This wage increase is in addition to the 3.4% wage increase effective January 1, 2013. Local 26 also deferred 1% of their annual salary in 2013 to a VEBA retirement benefit.

**Impact Analysis for 2013**

Fund/Department	FTE	2013 Budgeted Expense	2013 Actual Expense	Variance over/(under) Budget
General Fund	15.0	\$ 122,310	\$ 106,705	\$ (15,605)
General Government Utilities	0.0	0	0	0
Other General Government Funds	2.0	17,004	14,849	(2,155)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>17.0</b>	<b>\$ 139,314</b>	<b>\$ 121,554</b>	<b>\$ (17,760)</b>

The additional 2.5% increase represents an additional expense of \$62,822 (\$55,146 General Fund, \$7,676 other general government funds) above the previously adopted 3.4% increase.

**Funding for 2013**

The total estimated cost in 2013 for salaries and wages for Local 26 Police Management including the additional 2.5% increase discussed above is \$2,935,154 (\$2,575,791 General Fund, \$359,363 other general government funds). The total cost of the negotiated increase is included in the 2013-2014 budget.



**Local 26 Police Management Fiscal Impact Assumption for 2014**

Effective January 1, 2014 wage rates for Local 26 Police Management have been negotiated to increase 1.2%. Local 26 will defer 1% of their annual salary in 2014 to a VEBA retirement benefit.

**Impact Analysis for 2014**

Fund/Department	FTE	2014 Budgeted Expense	2014 Actual Expense	Variance over/(under) Budget
General Fund	15.0	\$ 210,952	\$ 123,774	\$ (87,178)
General Government Utilities	0.0	0	0	0
Other General Government Funds	2.0	29,197	18,646	(10,551)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>17.0</b>	<b>\$ 240,149</b>	<b>\$ 142,419</b>	<b>\$ (97,729)</b>

**Funding for 2014**

The total estimated cost in 2014 for salaries and wages for Local 26 Police Management including the 1.2% increase discussed above is \$3,010,924 (\$2,641,964 General Fund, \$368,960 other general government funds). The total cost of the negotiated increase is included in the 2013-2014 budget.



**Professional Public Safety Managers Association (PPSMA) Fiscal Impact Assumption for 2013**

Effective January 1, 2013 wage rates for PPSMA have been negotiated to increase by an additional 2.5%. This wage increase is in addition to the 2.7% wage increase effective January 1, 2013. PPSMA also deferred 1.5% of their annual salary in 2013 to a VEBA retirement benefit.

**Impact Analysis for 2013**

Fund/Department	FTE	2013 Budgeted Expense	2013 Actual Expense	Variance over/(under) Budget
General Fund	6.0	\$ 55,862	\$ 44,549	\$ (11,312)
General Government Utilities	0.0	0	0	0
Other General Government Funds	2.0	18,027	15,429	(2,597)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>8.0</b>	<b>\$ 73,889</b>	<b>\$ 59,979</b>	<b>\$ (13,910)</b>

The additional 2.5% increase represents an additional expense of \$36,163 (\$26,943 General Fund, \$9,220 other general government funds) above the previously adopted 2.7% increase.

**Funding for 2013**

The total estimated cost in 2013 for salaries and wages for PPSMA including the additional 2.5% increase discussed above is \$1,690,510 (\$1,256,917 General Fund, \$433,593 other general government funds). The total cost of the negotiated increase is included in the 2013-2014 budget.



**Professional Public Safety Managers Association (PPSMA) Fiscal Impact Assumption for 2014**

Effective January 1, 2014 wage rates for PPSMA have been negotiated to increase 1.2%. PPSMA will defer 1.5% of their annual salary in 2014 to a VEBA retirement benefit.

**Impact Analysis for 2014**

Fund/Department	FTE	2014 Budgeted Expense	2014 Actual Expense	Variance over/(under) Budget
General Fund	6.0	\$ 83,799	\$ 53,217	\$ (30,852)
General Government Utilities	0.0	0	0	0
Other General Government Funds	2.0	27,328	18,314	(9,014)
Tacoma Public Utilities	0.0	0	0	0
<b>Total</b>	<b>8.0</b>	<b>\$ 111,128</b>	<b>\$ 71,531</b>	<b>\$ (39,597)</b>

**Funding for 2014**

The total estimated cost in 2014 for salaries and wages for PPSMA including the 1.2% increase discussed above is \$1,733,422 (\$1,291,512 General Fund, \$441,910 other general government funds). The total cost of the negotiated increase is included in the 2013-2014 budget.