



To: Joy St. Germain, Human Resources Director

From: *TW* Tadd Wille, Budget Officer

Date: March 3, 2015

Subject: Fiscal Impact of Local 6 Tacoma Police Union 1% VEBA Restoration

**Overview**

In 2011, the Local 6 Tacoma Police Union agreed to forego 1% of their salary effective January 1, 2013 as part of a VEBA Retirement Incentive program, per a Memorandum of Agreement. Each LEOFF 2 member of the bargaining unit would, therefore, receive 99% of the base wage rate.

Effective January 1, 2015 the 1% wage reduction will be restored allowing each active member of the bargaining unit to receive 100% of their base wage rate.

**Financial Impact**

Below is a financial impact of the restoration of the 1% VEBA wage reduction retroactive to January 1, 2015.

Fund/Department	FTE	2015-2016 Incremental Expense
General Fund	290.9	\$596,267
General Government Utilities	0.0	0
Other General Government Funds	25.1	47,855
Tacoma Public Utilities	0.0	0
<b>Total</b>	<b>316.0</b>	<b>\$644,123</b>

**Funding for 2015-2016**

The total estimated cost in 2015-2016 for salaries and benefits for Local 6 Tacoma Police Union including the 1% restoration of the VEBA wage reduction discussed above is \$644,123 (\$596,267 General Fund, \$47,855 other general government funds).

Cost for the restoration of the 1% VEBA reduction to base wages is budgeted in 2015-2016, though wage negotiations continue. A comprehensive fiscal impact memo will be forthcoming upon ratification of the successor bargaining agreement.