



To: Joy St. Germain, Human Resources Director

From: *TW* Tadd Wille, Budget Director

Date: November 28, 2016

Subject: Fiscal Impact of Local 26 IUPA, Tacoma Police Management Association 2015-2017 Contract

Overview

The following provides a financial analysis of increases for Local 26 IUPA, Tacoma Police Management Association 2015-2017 contract effective upon City Council approval.

The contract includes one-time and ongoing costs for multiple areas and they are explained and shown below in aggregate:

Financial Impact: Ongoing Costs

Wages: Effective January 1, 2015 all wages shall increase by 2.2%. Effective January 1, 2016 all wages shall increase by 1.1%. Effective January 1, 2017 all wages shall increase by 2.0%.

Mentoring Pay: Effective January 1, 2017 highly experienced employees, with at least 25 years of service as a commissioned Tacoma police officer, shall receive a 2.0% application of rate.

VEBA: Effective January 1, 2017 the contribution to the individual VEBA will increase from \$50 per month to \$100 per month for each LEOFF II member of the bargaining unit.

Merit Allowance: Effective January 1, 2017 the Merit Allowance shall be increased from \$3,500 per year to \$3,750 per year.

Fund/Department	2016 FTE	2015 Negotiated Incremental Expense	2016 Negotiated Incremental Expense	2017 Negotiated Incremental Expense	2015-2017 Negotiated Incremental Expense
General Fund	16.0	\$ 52,720	\$ 80,058	\$ 159,359	\$ 292,137
General Government Utilities	0.0	0	0	0	0
Other General Government Funds	2.0	6,788	10,308	20,429	37,524
Tacoma Public Utilities	0.0	0	0	0	0
Total	18.0	\$ 59,508	\$ 90,366	\$ 179,788	\$ 329,661



Financial Impact: One-Time Costs

VEBA: A one-time contribution of \$2,000 will be made to the individual VEBA account for each LEOFF II employee in the bargaining unit as of January 1, 2015.

Merit Allowance: A one-time lump sum payment of \$500 will be made to all eligible members in the bargaining unit as of January 1, 2015.

Fund/Department	2016 FTE	2015 Negotiated Incremental Expense	2016 Negotiated Incremental Expense	2017 Negotiated Incremental Expense	2015-2017 Negotiated Incremental Expense
General Fund	16.0	\$ 0	\$ 40,000	\$ 0	\$ 40,000
General Government Utilities	0.0	0	0	0	0
Other General Government Funds	2.0	0	5,000	0	5,000
Tacoma Public Utilities	0.0	0	0	0	0
Total	18.0	\$ 0	\$ 45,000	\$ 0	\$ 45,000

Financial Impact: All Costs

Fund/Department	2016 FTE	2015 Negotiated Incremental Expense	2016 Negotiated Incremental Expense	2017 Negotiated Incremental Expense	2015-2017 Negotiated Incremental Expense
General Fund	16.0	\$ 52,750	\$ 120,058	\$ 159,359	\$ 332,137
General Government Utilities	0.0	0	0	0	0
Other General Government Funds	2.0	6,788	15,308	20,429	42,524
Tacoma Public Utilities	0.0	0	0	0	0
Total	18.0	\$ 59,508	\$ 135,366	\$ 179,788	\$ 374,661

The 2015 and 2016 increases are included in the 2015-2016 Adopted Biennial Budget. The 2017 increase is slightly over budget though manageable in the 2017-2018 Adopted Biennial Budget.