



To: Joy St. Germain, Human Resources Director

From: *nt* Todd Wille, Budget Director

Date: September 18, 2015

Subject: Fiscal Impact of Local 26 IUPA 1% VEBA Restoration

Overview

In 2011, the Local 26 IUPA 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	16.0	23,964
General Government Utilities	0.0	0
Other General Government Funds	2.0	3,085
Tacoma Public Utilities	0.0	0
Total	18.0	\$27,049

Funding for 2015-2016

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.