



To: Elizabeth Pauli, City Manager

From: Katie Johnston, Budget Officer

Date: November 10, 2021

Subject: Fiscal Impact of Local 6 Juneteenth Holiday LOA (TA)

Overview

The following provides an estimate fiscal impact of the Tentative Agreement between the City of Tacoma and the Tacoma Police Union Local 6 to add June 19th “Juneteenth” as a paid holiday for employees beginning in calendar year 2022.

Financial Impact

The financial impact is primarily composed of lost productivity costs, which employees receive compensation but do not work, and service continuity costs, which are regular wages and benefits for employees working on the observed holiday. Due to the nature of work performed by Local 6 employees, holiday credits can occur on a different day, lost productivity costs equal service continuity costs. Additionally, incremental costs represent overtime to backfill continuity staff who take the day off. The amounts below are an estimate of the cost of a paid holiday in 2022 for Local 6 employees.

Fund/Department	2022 Budgeted FTE	Lost Productivity Costs	Service Continuity Costs	Incremental Costs	Total
General Fund	313	\$125,400	\$125,400	\$5,000	\$255,800
General Fund Supported	9	3,600	3,600	200	7,400
Total	2283	\$129,000	\$129,000	\$5,200	\$263,200

Funding for 2022

Employee regular wages and benefits captured in service continuity costs are included in the 2021-2022 Biennial Budget. The lost productivity and incremental costs of offering the paid holiday are not budgeted. The department will be responsible for adhering to their overall level of appropriation.

CC:

- Dylan Carlson, Lead Labor Negotiator
- Karen Short, Senior Human Resource Analyst
- Jen Watts, Labor Relations Analyst
- Hayley Falk, Lead Management Analyst
- Tammy Liddle Lobban, Management Analyst