



To: Jude Kelley, Labor Negotiator

From: Katie Johnston, Budget Officer

Date: November 7, 2019

Subject: **Fiscal Impact of IAM & AW Local 160 Supervisors Wage Increase for 2020-2023**

Overview

The following provides an estimated fiscal impact of the successor collective bargaining agreement between the City of Tacoma and District 160 Waste Water Treatment Plant Maintenance (“WWTPM”) Supervisors (“Union”) for the years 2020-2023.

Financial Impact

1. Effective the first pay period after City Council approval of this Agreement, or January 1, 2020, whichever date is later, for those employees active on that date, base wage rates will be increased by two percent (2%).
2. Effective January 1, 2021, all base wage rates will be increased by two percent (2%).
3. Effective January 1, 2022, all base wage rates will be increased by two percent (2%).
4. Effective January 1, 2023, all base wage rates will be increased by two percent (2%).

Fund/Department	FTE	2020 Negotiated Incremental Expense	2021 Negotiated Incremental Expense	2022 Negotiated Incremental Expense	2023 Negotiated Incremental Expense
Environmental Services	3.0	\$7,700	\$15,600	\$23,800	\$32,200



- 5. The City will withdraw the bargaining unit from the Western Metals Pension Fund and assume withdrawal liabilities in accordance with plan procedures and applicable law. The costs below are for all Teamsters Local 160 members, not just the WWTPM Supervisor Unit. These costs will vary if only one other unit does not ratify the withdrawal.

Fund/Department	FTE	2020 Negotiated* Incremental Expense	20 Year Incremental Expense
All Other General Government	36.0	\$205,600	\$4,112,000
Environmental Services	31.0	177,000	3,540,000
General Fund	5.0	28,600	572,000
Tacoma Public Utilities	53.0	302,700	6,054,000
Total	125.0	\$713,900	\$14,278,000

- 6. Employees who on December 31, 2019, or on the date of ratification of this Agreement, whichever is later, qualify for participation in the longevity program consistent with Ordinance 20938 and the Tacoma Joint Labor Agreement will continue to participate and progress in accordance with the current percentage factors for continuous years of employment. New employees hired on or after January 1, 2020, or after ratification of this Agreement, whichever is later, shall not be eligible or participate in the longevity program.

There is no immediate fiscal impact. Savings will occur in future years as grandfathered employees leave City service.

- 7. Eligible employees hired on or after the start of the first pay period after Union ratification and City Council adoption of the Agreement or January 1, 2020, whichever date is later, shall be enrolled in the Paid Time Off (PTO) program, and not be eligible for sick and vacation leave. All other employees may make a one-time election to enroll in the PTO program on a voluntary basis during periodic open enrollments.

There is no immediate fiscal impact. 2020 and later costs and savings will depend on accruals and leave payouts at employee separation. Department Directors will be responsible for adhering to their overall level of appropriation.

- 8. Travel time will only be paid one-way if a callback occurs at the beginning or end of an employee's regular shift.

The Office of Management and Budget and Waste Water Treatment Plant anticipate that there will be no fiscal impact for this language change.



Funding for 2020, 2021-2022, and Beyond

The cost of the negotiated wage increase is included in the Adopted 2019-2020 Budget and will be included in the 2021-2022 & 2023-2024 Budgets. The costs associated with the withdrawal from the Western Metal Pension Plan will be absorbed in 2020 and incorporated into the 2021-2022 and future biennial budgets.

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