



To: Hyun Kim, City Manager

From: Andy Cherullo, Finance Director

Date: October 08, 2025

Subject: **Fiscal Impact - Tacoma Joint Labor Committee 2026-2027 CBA (TA)**
Fiscal Impact – Health Care Premium Rate Increase

Overview

The City of Tacoma and the Tacoma Joint Labor Committee have reached a tentative agreement for a successor collective bargaining agreement (CBA) effective January 1, 2026, through December 31, 2027.

The Collective Bargaining Agreement, which covers the member unions of the Tacoma Joint Labor Committee, carries forward all current contract benefits and incorporates all Memorandums of Understanding, Letters of Agreement, or similar supplemental agreements to the Tacoma Joint Labor Agreement which remain in effect for 2026 and 2027. The agreement includes:

- The agreement provides that the City will continue to pay the full premium cost for dental and vision insurance for eligible full-time employees.
- The City will expand its voluntary Case Management program with an enhanced option through Regence that will engage and support more members that are high cost/high risk and will align the Regence Preferred Plan (PPO) and Regence High Deductible (HDHP) plans with state standard benefits.

The agreement also provides effective January 1, 2026:

- An increase in the amount paid for meal allowances from \$18 to \$23 per meal;
- An increase in the rate paid for standby assignments from \$4.50 to \$5.00 per hour; and
- An increase from up to 4 days of accrued sick leave to up to 5 days of any accrued, paid leave that an employee would be eligible to utilize for bereavement upon the death of a family member. The list of qualifying family members is also modernized to align with the City's existing sick leave and FMLA policies. No additional paid leave will be provided to employees because of this change.

The Unions which comprise the Tacoma Joint Labor Committee are: Professional & Technical Employees, Local 17; Tacoma Firefighters, Local 31; Teamsters Local Union No 117; Washington State Council of County and City Employees, Local 120; International Association of Machinists & Aerospace Workers, Local 160; Teamsters Local 313; and International Brotherhood of Electrical Workers, Local 483.

Enhanced Case Management Fee

The additional cost for the enhanced case management will be \$7 per employee, per month, for employees enrolled in a Regence medical plan. This change will likely cause an incremental increase of about \$277,000 per year over the course of the agreement.

**Standby Pay**

Under this change, standby pay would increase to \$4.50 per hour effective back to 1/1/2025. It would then increase according to the following schedule: \$5.00 effective 1/1/2026:

Fiscal Area	2025 Incremental Expense	2026 Incremental Expense	Total Expense
General Fund	\$142,000	\$103,000	\$245,000
General Fund Supported	\$0.00	\$5,000	\$5,000
All Other General Government	\$0.00	\$13,000	\$13,000
Environmental Services	\$3,000	\$25,000	\$28,000
Tacoma Public Utilities	\$1,000	\$37,000	\$38,000
Total	\$146,000	\$183,000	\$329,000

Meal Allowances

The cost of a meal allowance would increase from the current amount of \$18.00 to \$23.00. This change will likely cause an incremental increase of about \$19,000 per year over the course of the agreement.

Health Care Premium Rate Increase

Under this agreement employee premium contributions toward medical insurance coverage will remain unchanged, and the City will continue to pay the full premium cost for dental and vision insurance for eligible full-time employees. However, employer premiums for medical insurance coverage through Regence are estimated to increase due to rising health care costs. Monthly premiums are estimated to increase from approximately \$1,979 per month per employee to \$2,083 per month per employee, with the City paying the full amount of this increase. As a result, the City can expect the following fiscal impact:

Fiscal Area	Regence Subscribers	2026 Incremental Expense	Total Expense
General Fund	835	\$572,000	\$572,000
General Fund Supported	172	\$118,000	\$118,000
All Other General Government	629	\$431,000	\$431,000
Environmental Services	410	\$281,000	\$281,000
Tacoma Public Utilities	1243	\$852,000	\$852,000
Total Cost	3,289	\$2,254,000	\$2,254,000



Funding for 2025-2026

The incremental increases are not included in the Adopted 2025-2026 Budget but may be incorporated in in any City Council approved Mid Biennium Budget Adjustments as well as the 2027-2028 Proposed Biennial Budget. Each department will be responsible for adhering to their overall level of appropriation.

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