City of Tacoma **Memorandum**

To: Elizabeth Pauli, City Manager

From: Katie Johnston, Budget Officer

Date: November 15, 2024

Subject: **Fiscal Impact - Local 26 Captains and Lieutenants 2025-2027 CBA (TA)**

Overview

The City of Tacoma and the Local 26 I.U.P.A. Tacoma Police Management Association Captains and Lieutenants bargaining unit have reached a tentative agreement for a successor collective bargaining agreement (CBA) effective January 1, 2025, through December 31, 2027.

Wages

Effective January 1, 2025, wages will be adjusted by seven percent (7%) as required to maintain the indexing/parity differentials (Section 2 Indexing Provision).

Effective January 1, 2026, wages will be adjusted as required to maintain the indexing/parity differentials (Section 2 Indexing Provision).

Effective January 1, 2027, wages will be adjusted as required to maintain the indexing/parity differentials (Section 2 Indexing Provision).

Fiscal Impact of Wages

The fiscal impact uses the 7% wage assumption for wages effective on January 1, 2025. Wages in 2027 are based on indexing and the Collective Bargaining Agreement through 2027 with Local 6. Specifically, the Local 26 agreement maintains a minimum 25% index differential between the top step base rate Police Lieutenant and the top step base rate Police Sergeant as well as maintaining at 15% the differential between top step base rate Lieutenant and the top step base rate Captain. The fiscal impact for years beyond 2025 uses projected wage assumptions for the future Local 6 agreement based on historical and market information.

Fiscal Area	FTE	2025 Incremental Expense	2026 Incremental Expense	2027 Incremental Expense	Total Expense
General Fund	20.75	$328,000	$579,000	$805,000	$1,712,000
General Fund Supported	0.25	$5,000	$8,000	$11,000	$24,000
Total	**21.00**	**$333,000**	**$587,000**	**$816,000**	**$1,736,000**

Sick Leave Sick Leave and PTO Deposit to VEBA at Retirement – 19.14

An employee separated from service due to death or retirement for disability or retirement for length of service shall have their sick leave deposited into their VEBA account on their final paycheck according to the following tiers:

- At the rate of twenty-five percent (25%) for hours 1 through 400
- At the rate of thirty-three percent (33%) for hours 401 through 800
- At the rate of fifty percent (50%) for the hours of 801 and above

For example: an employee with 600 hours of sick leave at retirement would receive a 25% cash out of 400 hours, plus a 33% cash out of 200 hours.

An employee separated in good standing from service for any other reason is compensated to the extent of ten (10) percent of their sick leave accruals, up to a maximum accrual of one hundred twenty (120) days.

Fiscal Impact of Sick Leave Sick Leave and PTO Deposit to VEBA at Retirement
Based on the average number of hours cashed out between 2021 and 2024 and current data of active employees who will qualify to take advantage of this provision during the life of the agreement, staff projects that this proposal may result in $12,000 per year.

Deferred Compensation – 10.8
Effective following City Council adoption of this Agreement, the employer deferred comp contribution will increase from $238 to $250 per pay period.

Fiscal Impact of Deferred Compensation
This provision will cause an increase of $6,550 per year.

Tuition Reimbursement – 19.6
Increased tuition reimbursement from $15,000 to $20,000 per year for Local 26 Members.

Fiscal Impact of Tuition Reimbursement
According to the agreement, the Police Department will increase the budget of tuition reimbursement for Local 26 from a maximum of $15,000 to a maximum of $20,000 per year. Employees shall be eligible for tuition assistance for a maximum of 10-credit hours (per quarter or semester, as applicable) based on the University of Washington in-state tuition (undergraduate rate or graduate rate, as applicable) and the employee achieving a passing grade. The provision will cause an increase of $5,000 per year.

Merit Allowance – 19.7
Incorporated Merit Allowance LOU and increased merit allowance from $4,250 to $5,450 per year.

Fiscal Impact of Merit Allowance
The provision will cause an increase of $25,000 per year.

City's VEBA Program Contribution – 28.2.H
Effective January 1, 2025, the City's monthly contribution will increase from $597.54 to $609.49.

Fiscal Impact of VEBA Program Contribution

Program	2025 FTE	2025 Incremental Expense	2026 FTE	2026 Incremental Expense	2027 FTE	2027 Incremental Expense	Total Cost
VEBA	11	$2,000	13	$4,000	15	$7,000	$14,000
Total	**11**	**$2,000**	**13**	**$4,000**	**15**	**$7,000**	**$14,000**

Each year two (2) L26 employees may apply for enrollment into the LEOFF II VEBA retirement program. The FTEs in the above table represent the current participants, as well as the assumption that two employees will retire each year.

Notably, the union has foregone one percent (1%) effective January 1, 2022, an increase from three quarters of one percent (0.75%), of the members' salary. Once the bargaining unit wage scales are identified in any given year, each member of the bargaining unit will receive ninety-nine percent (99%) of the base wage rate in exchange for this benefit. The TA recognizes the increase with an update to the language. There is no fiscal impact at this time.

Funding for 2025-2027

The incremental increases will be incorporated into the 2025-2026 Proposed Biennial Budget and, eventually, the 2027-2028 Proposed Biennial Budget. The department will be responsible for adhering to their overall level of appropriation.

Cc: Dylan Carlson, Labor Relations Manager
Karen Short, Senior Human Resources Consultant
Jen Watts, Labor Relations Analyst
Reid Bennion, Financial Services Manager
Brian Schwall, Financial Services Analyst
Mayra Wheelock, Financial Services Analyst

City of Tacoma **Memorandum**

To: Elizabeth Pauli, City Manager

From: Katie Johnston, Budget Officer

Date: November 26, 2024

Subject: Fiscal Impact – Police Professional Public Safety Management Association (PPSMA) Titles

Overview

The City of Tacoma and the Local 26 I.U.P.A. Tacoma Police Management Association Captains and Lieutenants bargaining unit reached a tentative agreement for a successor collective bargaining agreement (CBA) effective January 1, 2025. The collective bargaining agreement (CBA) as negotiated with the Professional Public Safety Management Association (PPSMA) provides that wages for the classifications of Deputy Police Chief and Assistant Police Chief will be adjusted to maintain indexing/parity differentials with classifications in the collective bargaining agreement with the Tacoma Police Management Association, Local 26.

This fiscal impact statement shows the wage increase for PPSMA of seven percent (7%) to maintain indexing/parity differentials.

Financial Impact of PPSMA Agreement

Fiscal Area	FTE	2025 Incremental Cost	Total Cost
General Fund	4.0	$84,000	**$84,000**
Total	**4.0**	**$84,000**	**$84,000**

The wage increases are included in the 2025-2026 Proposed Biennial Budget. Departments will be responsible for adhering to their overall level of appropriation.

CC: Dylan Carlson, Labor Relations Division Manager
Mark Johnson, Labor Negotiator
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