SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Department of Human Resources	Elaine Gentilo/684-4854	Jessica Wang/615-1759

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to City employment; providing wage increases effective December 31, 2014, December 30, 2015, December 28, 2016 and December 27, 2017 for certain non-represented City employees and officers; providing adjustments to certain pay titles in addition to the 2015 wage increase; authorizing a $15 per hour minimum wage for all non-represented City of Seattle employees; authorizing and directing the Seattle Human Resources Director to change rates of pay for certain job titles to a minimum of $15 per hour effective April 1, 2015; authorizing paid leave for City employees who took furloughs in 2010; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:
This legislation authorizes the same pay increases and leave benefits that were tentatively agreed to by the City and the Coalition of City Unions ("Coalition") to also be extended to certain non-represented City employees. Approximately 1,200 regular City employees are affected by this legislation.

The attached Council Bill provides for:

1) Annual wage increases for most non-represented employees in "step-in-grade" job titles (job titles not in the discretionary pay programs) for 2015- 2018. Such increases shall be 2 percent in 2015, 2 percent in 2016, 2.5 percent in 2017 and 2.75 percent in 2018. Employees of the City Library system and non-represented City employees or officers holding positions identified in Section 5 of the Bill are excluded from the cost-of-living increases.
2) Wage increases of 3.5 percent of base wages to identified non-represented job titles experiencing retention and recruitment issues. Consistent with the Coalition tentative agreement, the wage adjustments shall be effective beginning the 2015 payroll year and in addition to the 2 percent wage increase for 2015.
3) A minimum wage of $15 per hour for all non-represented City employees, effective April 1, 2015. Through the adoption of the 2015-16 Budget, City Council authorized funding to implement the $15 wage ahead of the schedule required under Ordinance 124490 that applies to all public and private employers in the City of Seattle limits. Rates of pay for employees represented by a union must be bargained and will be addressed via separate legislation authorizing the respective collective bargaining agreements.
4) Paid leave for non-represented employees (except for Library employees) who took furloughs in 2010. Employees shall receive the same number of hours that they furloughed in 2010 to be split equally and used as paid leave in 2016 and 2017.

Employees will not receive more than eighty hours of paid leave and must use them in full day increments to the extent possible. Leave hours shall not be cashed out or carry over into the following year.

The City has historically provided the same wage increases, benefits and other conditions of employment to non-represented City employees as to Coalition members. The City came to a tentative agreement with the Coalition in October of 2015.

2. SUMMARY OF FINANCIAL IMPLICATIONS

__X__ This legislation does not have direct financial implications.

Labor Relations developed the estimates below to approximate the costs of wage increases. Costs for 2015 – 2018, which include City contributions to retirement, social security, and Medicare, were included in the development of 2015-16 biennial budget. Funds have been set aside in the 2016 Adopted Budget as a reserve to pay for the cost increases; separate, future legislation will be forward by the City Budget Office in early 2016 to authorize appropriations of funds to departments.

Employees in step-in-grade titles not covered by collective bargaining agreements will have their base wages increase by 2 percent in 2015, 2 percent in 2016, 2.5 percent in 2017, and 2.75 percent in 2018. Certain non-represented titles will also receive a 3.5 percent pay increase in addition to the 2015 cost-of-living adjustment. Additionally, non-represented employees earning less than $15 per hour will have their wages adjusted to $15 per hour effective April 1, 2015. The aggregate cost of wages and health care for non-represented employees and for Coalition members, who have historically been extended the same increases, is estimated to grow from $823 million in 2014 to $916 million in 2018. (Note: this estimate does not include minimum wage costs. The minimum wage funds were authorized in the 2015 Budget and will be appropriated in the same City Budget Office legislation noted above)

3. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?
No.

b) Is there financial cost or other impacts of not implementing the legislation?
If the wage increase is not legislated, employees will continue to receive the same wages that became effective on January 1, 2014. There may be additional risks associated with not implementing this legislation.

c) Does this legislation affect any departments besides the originating department?
Most City departments are affected by this legislation. This proposed Council Bill will impact these departments' budgets, but will not have operational impacts.

d) Is a public hearing required for this legislation?

No.

e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.

f) **Does this legislation affect a piece of property?**
No.

g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
No impacts identified.

h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
Not applicable.

i) **Other Issues:** None.

List attachments/exhibits below: None.