SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Department of Human Resources	David Bracilano/684-7874 Sarah Butler/684-7929	Jessica Wang/685-1759

** 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; authorizing the execution of a collective bargaining agreement between The City of Seattle and Washington State Council of County and City Employees, AFSCME, Local 21; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation authorizes the Mayor to implement a collective bargaining agreement between the City of Seattle ("City") and Washington State Council of County and City Employees, AFSCME, Local 21 ("Local 21"). The collective bargaining agreement is a four-year agreement on wages, benefits, hours and other working conditions for the time period January 1, 2015 through December 31, 2018. This legislation affects up to approximately 150 regularly appointed City employees.

The collective bargaining agreement provides for wage adjustments of 2 percent in 2015, 2 percent in 2016, 2.5 percent in 2017 and 2.75 percent in 2018. Employees who work a graveyard or swing shift will receive an additional $0.10 per hour effective on December 30, 2015. Employees in 2016 will receive an increase of $20 for boots, clothing or tools, and an additional $20 increase for the same in 2017.

The City and union agreed to continue health care cost sharing the same as in the previous agreements: the City will pay up to 7 percent of annual healthcare cost increases and then additional costs will be covered by the Rate Stabilization Fund. Once that Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of any additional costs.

The collective bargaining agreement provides other working conditions. Employees who furloughed in 2010 will receive the same number of hours taken and those hours will be split equally in 2016 and 2017; the leave cannot be cashed out or carried over from year to year. The City and unions also agreed to a SCERS II retirement system for new employees hired on or after January 1, 2017, among other items.

2. SUMMARY OF FINANCIAL IMPLICATIONS

__X__ This legislation does not have direct financial implications.

Labor Relations developed the estimate below to approximate the costs of ratifying the Local 21 agreement along with other employee groups who receive the same increases. Costs for the

collective bargaining agreements – which include City contributions to retirement, social security and Medicare were included in the cost of the 2015-2016 biennial budget. Funds were set aside in the 2016 Adopted Budget to cover these cost increases; separate, future legislation will be forwarded by the City Budget Office in early 2016 to authorize appropriations of funds to departments.

Local 21 union members' base wages will increase by 2 percent for 2015, 2 percent for 2016, 2.5 percent for 2017 and 2.75 percent for 2018. The aggregate cost of wages for unions in the Coalition of City Unions (and for non-represented employees, which have historically been extended the same increases) is estimated to grow from $823 million in 2014 to $916 million in 2018.

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 contract is not legislated, employees will continue to receive the same wages that became effective on January 1, 2014. There may be other legal risks associated with not implementing the legislation.

c) Does this legislation affect any departments besides the originating department?
Yes, there are costs and potential operational impacts to the following departments: City Light, Finance and Administrative Services, Seattle Department of Transportation, and Seattle Public Utilities.

d) Is a public hearing required for this legislation?
No.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No.

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

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

h) 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.

i) **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.

j) **Other Issues:** None

List attachments/exhibits below:

- Summary Attachment 1 – Bill Draft Version of Local 21 Agreement