

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE relating to City employment; authorizing execution of a collective bargaining agreement between the City of Seattle and the International Association of Fire Fighters, Local 2898 to be effective January 1, 2012 through December 31, 2014; providing payment therefor; and ratifying and confirming prior acts.

Summary of the Legislation:

This legislation authorizes a collective bargaining agreement between the City and the International Association of Fire Fighters, Local 2898 (“Local 2898”) providing for wages, healthcare, and other conditions of employment effective January 1, 2012 through December 31, 2014. This legislation affects approximately 33 City employees represented by Local 2898.

The City shall increase union members’ wages by 1.8 percent in 2012 and 1.4 percent in 2013. For 2014, members’ base wages shall increase by 100 percent of the percentage increase of the Seattle-Tacoma-Bremerton Consumer Price Index (CPI) June over June increase, provided that the increase shall not be less than 2 percent or greater than 7 percent.

Effective July 1, 2013, the City and Local 2898 will split health care premiums with 90 percent paid by the City and 10 percent paid by union members (currently the City pays 85 percent and the union members pay 15 percent).

The collective bargaining agreement also includes changes to other conditions of employment. Local 2898 members will be able to cash out sick leave under a new tiered system that provides cash out at different rates depending on how many hours the employee has in his or her balance. Cash out values will be as follows: 25 percent for hours 1 through 400 hours, 50 percent for hours 401 through 800, and 75 percent for all hours above an 800 hours balance (currently, all hours are cashed out at 25 percent). The City will begin contributing \$25 per month in July 2013, with an increase to \$50 per month in January 2014, into a medical expenses reimbursement plan or voluntary employee benefit association program for post-retirement health care costs. Additionally, the City and the union agreed to a guaranteed deferred compensation contribution of 1.6 percent effective January 1, 2014, re-openers on the impacts of the Phase 3 Tri-Data study and any department re-org/re-alignment plans, changes to overtime hiring, as well as other issues.

Background:

The collective bargaining agreement between the City and Local 2898 expired on December 31, 2011. Union members continued to work on condition that their wages, hours and other working

conditions be negotiated. The parties came to a tentative agreement in February of 2012, and union members ratified the agreement the following month.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Labor Relations developed the estimates below to approximate the 2012-14 costs of ratifying the new agreement. Costs for 2012 were included in the development of the 2011-2012 biennial budget.

Local 27 members' base wages will increase by 1.8 percent in 2012, and by 1.4 percent in 2013. They are projected to increase by 2.1 percent in 2014. The aggregate cost of wages and benefits for members is estimated to grow from \$6.9 million in 2011 to \$7.2 million in 2014.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
See above.
- b) **What is the financial cost of not implementing the legislation?**
If the contract is not legislated, employees will continue to receive the same wages that became effective on January 5, 2011.
- c) **Does this legislation affect any departments besides the originating department?**
The Seattle Fire Department is affected by this legislation. This proposed Council Bill will impact the Fire Department's budget and to the extent provided in the collective bargaining agreement, the operational functions of its Local 2898 union members. Chris Santos is the staff contact at the Fire Department on this legislative item.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
None.
- e) **Is a public hearing required for this legislation?**
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) **Other Issues:** None