

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to City employment; authorizing the execution of a collective bargaining agreement between the City of Seattle and the International Brotherhood of Electrical Workers, Local 77 to be effective January 23, 2013 through January 22, 2017; providing payment therefor; and ratifying and confirming prior acts.

Summary of the Legislation:

This legislation authorizes a collective bargaining agreement between the City of Seattle and the International Brotherhood of Electrical Workers, Local 77 (“Local 77”) providing for wages, healthcare, and other conditions of employment effective January 23, 2013 through January 22, 2017. This legislation affects approximately 550 employees in the City Light department.

The agreement provides that union members’ wages will increase by 2.7 percent in 2013, and 2 percent in 2014. Cost-of-living increases for 2015 and 2016 are projected to be 2.2 percent and 2.5 percent, respectively, based on 100 percent of the percentage increase in the Seattle-Tacoma-Bremerton area Consumer Price Index for June of the previous year over June of the base year. Cost-of-living increases for 2015 and 2016 shall not be less than 2 percent or exceed 7 percent.

The agreement provides for changes to the administration and cost sharing of City health care plans. Union members who elect the Local 77 health care plan will increase their monthly premium cost share from 5 to 10 percent of the total monthly cost and will see increases to their office and prescription drug copays. Any union member may also opt to enroll in the “most employees” health care plan offered to Coalition of City Union members and non-represented employees (modified to meet the requirements of the Patient Protection and Affordable Care Act); the decision to move to such a plan will be permanent and irrevocable.

The agreement also provides for other changes to union members’ working conditions. The City and Local 77 agree to a reopener to negotiate changes to the City’s Retirement System during the term of the four-year agreement. Members’ maximum compensatory time balance will be reduced from 96 hours to 64 hours. Members who receive overtime meal allowances will be paid one hour of pay at 82.5 percent of the 100 percent wage rate (\$33.54 in 2014) instead of the Runzheimer rate. Members will no longer be paid a minimum of a half a day’s work for any work outside of their classification, but will only paid for the time worked in that classification. Members will receive two additional floating holidays after nine years of City employment, which is the same leave benefit provided to non-represented employees and union members in the Coalition of City Unions. Finally, the agreement provides for other operational efficiencies that result in savings to the City.

Background:

The existing collective bargaining agreement between the City and Local 77 expired on January 22, 2013. The parties began bargaining a successor agreement in August of 2012 and came to a tentative agreement in February of 2014. Union members ratified the agreement in April of 2014.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Costs for 2013-2014 were included in the 2013-2014 biennial budget process. City Light will absorb back pay and ongoing costs within its existing budget. Additionally, negotiated changes to the collective bargaining agreement provide savings that offset some of the cost increases.

Local 77 members' base wages will increase by 2.7 percent in 2013, and 2 percent in 2014. Cost-of-living increases for 2015 and 2016 are projected to be 2.2 percent in 2015 and 2.5 percent, respectively, based on the June/June CPI method.

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 18, 2012. There may be additional legal risks associated with not implementing this legislation.

c) **Does this legislation affect any departments besides the originating department?**

City Light is the only department affected by this legislation. This proposed Council Bill will impact City Light's budget and to the extent provided in the collective bargaining agreement, the operational functions of its Local 77 union members.

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

List attachments to the fiscal note below: None