

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; providing salary increases effective January 1, 2014 for certain non-represented City employees and officers; and ratifying and confirming prior acts.

Summary of the Legislation:

This legislation authorizes the same cost-of-living increase that was tentatively agreed to between the City and the Coalition of City Unions (“Coalition”) to also be extended to certain non-represented City employees. Approximately 1,246 employees are affected by this legislation.

The attached Council Bill provides for a 1.8 percent cost-of-living increase to employees’ base wages, effective January 1, 2014. This increase reflects 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bremerton Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the period August 2011 through June 2012 to August 2012 through June 2013. Employees of the City Library system and non-represented City employees/officers who hold positions identified in Section 1 of the Bill are excluded from the cost-of-living increase authorized by this Council Bill.

Background:

Historically, the City has provided the same wage increases, benefits and other conditions of employment to non-represented City employees as to Coalition members. The purpose of this legislation is to establish the same timeline for the 2014 cost of living increase to non-represented employees as to Coalition employees. The City entered into negotiations with the Coalition in the fall of 2013 and came to a tentative agreement in March of 2014.

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 2014 costs of wage increases. Costs for 2014, which include City contributions to retirement, social security, and Medicare, were included in the development of the 2013-2014 biennial budget. Funds have been set aside as a reserve to pay for these cost increases.

Employees not covered by a collective bargaining agreement will have their base wages' increase by 1.8 percent for 2014. The aggregate cost of wages for these employees and for Coalition members, who have historically been extended the same increases, is estimated to grow from \$671.6 million in 2013 to \$691.8 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 wage increase is not legislated, employees will continue to receive the same wages that became effective on January 2, 2013. 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 should not have operational impacts.

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