

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
City Budget Office	Jeanette Blankenship 615-0087	Forrest Longman 684-0331

**Legislation Title:** AN ORDINANCE relating to the 2014 Budget; amending Ordinance 124349, which adopted the 2014 Budget; changing appropriations to various departments and budget control levels due to changes in City employment compensation; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

**Summary of the Legislation:**

This Council Bill, which amends the 2014 Budget, increases appropriations to pay for the 2014 cost increase to City employment compensation. The increase in cost is a result of the MOU between the City of Seattle and the unions participating in the Coalition of City Unions, which provides for a 1.8 percent cost-of-living increase effective January 1, 2014, as well as the same increase for certain non-represented City employees and increases to the discretionary pay program zones.

**Background:**

This legislation accompanies three Council Bills which increase the 2014 compensation for certain City employees. This legislation increases budget appropriation authority for cost increases as a result of the three following Council Bills:

C.B. \_\_\_\_\_ authorizes the Mayor to sign a memorandum of understanding (“MOU”) between the City of Seattle and labor unions participating in the Coalition of City Unions (“Coalition”). The MOU is a one year agreement to wages, benefits, hours and other working conditions between the City and the Coalition (collectively, “the parties”).

The MOU provides for a 1.8 percent cost-of-living increase, which is based on 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 of 2012 to the period August 2012 through June of 2013.

C.B. \_\_\_\_\_ authorizes the same cost-of-living increase that was tentatively agreed to between the City and Coalition to also be extended to certain non-represented City employees.

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 employees represented by the Coalition. The City entered into

negotiations with the Coalition in the fall of 2013 and came to a tentative agreement in March of 2014.

Finally, C.B. \_\_\_\_\_, the 2014 Pay Zone Ordinance, authorizes changes to various pay programs, collectively known as discretionary pay programs, and provides for annual or biennial review of the salary structures in order to remain competitive in the labor market.

Please check one of the following:

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Appropriations:**

Appropriations Notes:

Appropriations for impacted departments are identified in the related Council Bill.

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

Yes, some items in this ordinance represent costs increases to departments in order for them to pay for the cost-of-living and pay zone increases.

**b) What is the financial cost of not implementing the legislation?**

The same objectives could not be achieved without this legislation.

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

Yes, this legislation affects multiple departments.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?** The same objectives could not be achieved without this legislation.

**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.