

April 18, 2016

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution No. 9086 authorizing execution of a new labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing DSD Review and Inspection Supervisors (Union) for the contract period January 1, 2015 through December 31, 2019.

### **FISCAL IMPACT**

The agreement reached with the Union will result in a net cost increase to the City of approximately \$254,081 over the term of the contract (January 1, 2015 – December 31, 2019).

Sufficient funds are available within the 2016 budget to fully fund the 2015-2016 contract costs. The costs in 2017-2019 will be included in the 2017-2018 and 2019 budget proposals.

The 2017-2019 estimated COLA is based on the early forecast prepared by the Budget Office for the 2017-2018 budget development.

100% of these costs will be recovered through development fees charged by the Development Services Department.

RCW 41.50.152 requires disclosure of “excess compensation” employer costs to avoid the unknowing acceptance of significant future liability. The provisions of this contract will not increase estimated future retirement billings because this requirement applies to PERS1 employees only and the individuals affected in this agreement participate in PERS2.

### **STAFF CONTACT**

Julie Howe, Assistant Human Resources Director 452-2069  
James Trefry, Labor Relations Manager 452-7936  
*Human Resources Department*

### **POLICY CONSIDERATION**

Shall the City enter into a new labor agreement with the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing DSD Review and Inspection Supervisors for the contract period January 1, 2015 through December 31, 2019?

### **BACKGROUND**

This union represents 6 positions, with a total compensation cost of \$4,328,168 over the term of the contract.

The DSD Review and Inspection Supervisors sought representation by filing a representation petition with the Public Employee Relations Commission on December 6, 2013. Negotiations for this initial labor agreement began on May 19, 2014. The City and Union met approximately 26 times in negotiations and were able to reach a tentative agreement on January 28, 2016. The Union ratified the five-year tentative agreement on April 14, 2016, which is subject to Council approval.

### Key Package Elements

The contract term is January 1, 2015 through December 31, 2019, representing a 5-year agreement.

### Wages:

- Jan. 1, 2015: 90% CPI-W, June (1.98%) Retroactive
- Jan. 1, 2016: 90% CPI-W, June (0.99%) Retroactive
- Feb. 1, 2016: 1.75% (approximate) general wage adjustment, Retroactive
- 2017: 90% CPI-W, June plus a 0.75% general wage adjustment
- 2018: 90% CPI-W, June plus a 0.75% general wage adjustment
- 2019: 90% CPI-W, June plus a 0.75% general wage adjustment

Market data reflects a need for the City to offer a slight wage adjustment to stay competitive within the market. These increases are consistent with our continued application of the City's labor negotiation guidelines, which have been previously reviewed and adopted by Council.

The parties have entered into a series of consecutive "Christie Agreements" covering the retroactive period which allows the City to provide retroactive salary increases for a new labor agreement.

### Key Elements of New Agreement

- Definitions to Align with City Code (ACA changes):  
The employment status definitions align with the federal definitions of "full-time" employee as adopted by Ordinance No. 6153 amending the Human Resources Code to align with the Federal Patient Protection and Affordable Care Act.
- Medical, Dental, and Vision Insurance:  
Negotiated language for plan design changes to avoid the medical insurance excise tax for 2020 and laid out a path for a potential new plan design offering in 2017.
- Flexible Spending Arrangement (FSA):  
Union agrees that should employee pre-tax medical contributions to the Flexible Spending Plan count toward the excise tax threshold it will no longer be offered after December 31 prior to the excise effective date. (No employer contributions are made to an FSA.)
- Non-economic agreements on a variety of issues brought forward by both the City and the Union, including bargaining of most recent Human Resources Policy Procedure Manual revisions.

### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

### **OPTIONS**

1. Adopt the Resolution authorizing execution of a new labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing DSD Review and Inspection Supervisors for the contract period January 1, 2015 through December 31, 2019.
2. Do not adopt the Resolution and provide alternative direction to staff.

### **RECOMMENDATION**

Option 1.

**MOTION**

Move to approve Resolution No. 9086 authorizing execution of a new labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing DSD Review and Inspection Supervisors for the contract period January 1, 2015 through December 31, 2019.

**ATTACHMENTS**

Resolution No. 9086

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Labor Agreement substantially in the form of what will be the final agreement.