

October 17, 2016

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of a three-year successor labor agreement by and between the City and the Bellevue Police Officers Guild (BPOG) for the term of January 1, 2015 through December 31, 2017.

### **FISCAL IMPACT**

The agreement reached with the BPOG will result in a net cost increase to the City of approximately \$2,550,219 over the term of the contract (January 1, 2015 – December 31, 2017).

Sufficient funds are available within the 2016 budget to fully fund the 2015-2016 contract costs; contract costs for 2017 are included in the proposed 2017-2018 budget.

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 PERS 1 employees only, and the individuals affected by this agreement participate in LEOFF 2.

### **STAFF CONTACT(S)**

Julie Howe, Acting Human Resources Director 452-2069

James Trefry, Labor Relations Manager 452-7936

*Human Resources Department*

### **POLICY CONSIDERATION**

Shall the City enter into a successor labor agreement with the Bellevue Police Officers Guild for the contract period January 1, 2015 – December 31, 2017; and MOU for retroactive pay for certain?

### **BACKGROUND**

The BPOG represents 155 positions, and 8.5% of the workforce.

Negotiations for the 2015-2017 successor labor agreement began on September 15, 2014. The parties met 11 times in regular negotiations, but were unable to reach an agreement. The parties filed a joint request for mediation and the parties met in mediation on August 12, 2015, for the first of 11 meetings. On August 17, 2016, a tentative agreement was reached, and was ratified by the BPOG on September 29, 2016. The tentative agreement is subject to Council approval.

### **Key Package Elements**

The contract term is term is January 1, 2015 through December 31, 2017.

#### **Wages:**

- 2015: 2.2% wage adjustment
- 2016: 2.1% wage adjustment
- 2017: 3.0% wage adjustment
- Incentive and Premium Pays – Effective January 1, 2016

- Patrol incentive pay of 1%, 2% or 3%, dependent on the shift to which the employee bids and is regularly assigned. This incentive pay is only applicable to police officers at the top of the pay range, and all corporals and sergeants.
- Hostage Negotiation Team and SWAT premium pays of 4% were added as specialty pays (employees may only receive one specialty pay regardless of the number of specialties assigned).
- MOU incorporated into collective bargaining agreement providing for retroactive payment of wages to include specified members of the bargaining unit prior to execution of agreement.

#### Other Changes:

- Medical, Dental, and Vision Insurance:

Negotiated new plan design, employee premium contribution calculation and collective bargaining agreement language changes effective January 1, 2017, to align benefit offerings with non-represented employees and other non-interest arbitration eligible bargaining units (with the exception of a phased-in out of pocket maximum). This strategy is meant to avoid the medical insurance excise tax currently scheduled to take effect January 1, 2020 and provide enough time to negotiate or otherwise have a successor collective bargaining agreement in place prior to January 1, 2020.

- Flexible Spending Arrangement (FSA):

The BPOG 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 of the year preceding implementation of the excise tax threshold. The City agrees it may still offer the FSA in a given year should the value of the medical plan offering be below the threshold in an amount which allows employees to contribute a minimum of \$1,200.00 while still avoid incurring any excise tax penalties. This will ensure no excise tax is incurred because of the FSA. (No employer contributions are made to an FSA.)

- Grievance procedure was updated to provide potential options for selection of an arbitrator.
- Non-economic agreements on a variety of issues brought forward by both the City and the Union, including bargaining of policy changes related to traffic tolls, records retention related to disciplinary documentation and shift scheduling.

#### **EFFECTIVE DATE**

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

#### **OPTIONS**

1. Adopt the Resolution authorizing execution of a successor labor agreement by and between the City and the Bellevue Police Officers Guild for the contract period January 1, 2015 through December 31, 2017.
2. Do not adopt the Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1.

**MOTION**

Move to approve Resolution No. 9157 authorizing execution of a three-year successor labor agreement by and between the City and the Bellevue Police Officers Guild (BPOG) for the term of January 1, 2015 through December 31, 2017.

**ATTACHMENTS**

Proposed Resolution No. 9157

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