

Fiscal Impact Note

Legislation No: Resolution 34-18

First Reader Date: 7-9-2018

Note Date: 7-5-2018

Legislation Title: Submission of Proposed Union Agreement – AFSCME 3162

Description: For the purpose of submitting a written memorandum of Collective Bargaining Agreement between the City of Annapolis and AFSCME 3162 (Clerical/Technical) for the Fiscal Years 2019 through 2022 to the City Council for its ratification or rejection.

Analysis of Fiscal Impact:

The terms and provisions of the negotiated agreement with fiscal impact are as follows:

- Four year contract covering FY2019 – FY2022 (July 1, 2018 – June 30, 2022)
- Cost of Living Allowances:
 - FY2019: 2%
 - FY2020: 2%
 - FY2021: 3%
 - FY2022: 3%
- Increase in step 11 on the A pay scale from 2.5% to 5.361%.
- Leave sell back: Allows an employee to sell back to the City no more than 5 days of annual leave at the end of a calendar year if the employee has 16 or more days of annual leave or 16 or more days of sick leave. The fiscal impact of this provision cannot be determined, but management does not believe the cost will be significant.
- Change in health insurance cost share: Effective July 1, 2020, the employees' cost share will increase from 20% to 25%. The City's cost share will decrease from 80% to 75%.
- "Acting Out of Class Pay": Provision changed to state that an employee temporarily transferred to a job classification in a higher pay grade for at least one regular work day will be compensated at 5% above the employee's current rate of pay. The prior contract required the City to pay acting out of class pay when the employee worked at least 10 regular work days in a higher position. The fiscal impact of this provision cannot be determined, but management does not believe the cost will be significant. This change results in parity with AFSCME 3406.
- Change in bereavement leave to include step-family members. No fiscal impact from current practice.

AFSCME 3162	FY2019	FY2020	FY2021	FY2022
Year 1 COLA	\$ 47,575	\$ 47,575	\$ 47,575	\$ 47,575
Year 1 Step 11	19,075			
Year 2 COLA (with step 11)		48,900	48,900	48,900
Year 3 COLA (with step 11)			74,800	74,800
Year 4 COLA (with step 11)				77,100
Health Insurance Savings			(36,800)	(39,700)
Total	\$ 66,650	\$ 96,475	\$ 134,475	\$208,675
% Increase over prior year base with benefits	2.8%	2.0%	1.5%	1.5%

Cumulative Cost of 4-year Contract: \$506,275

Assumptions:

- COLA calculations are based on July 1, 2019, base salaries of \$1,954,931 with FICA and pension and VEBA benefits.
- Increase in cost of step 11 is based on actual employee data for fiscal year 2019 with FICA and pension and VEBA benefits.
- Health insurance savings: Assumes 8% annual increase in medical and Rx costs; 5% in dental costs; 0% in vision costs.