STAFF AND STAFFING-IMPACT REPORT & FISCAL IMPACT NOTE ON PROPOSED LEGISLATION

To:	Mayor Jared Littmann
From:	Yolanda Lewis, City Manager
Date:	July 16, 2026
Subject:	R-23-26: Collective Bargaining Agreement - American Federation of State, County and Municipal Employees (AFSCME) Local 3162

Purpose of legislation

The purpose of this legislation is to approve the Collective Bargaining Agreement between the City of Annapolis and American Federation of State, County and Municipal Employees (AFSCME) Local 3162 for the Fiscal Years 2027 through 2028 to the City Council.

Impact of legislation on operations

The City and AFSCME Local 3162 have negotiated over a number of provisions in the collective bargaining agreement. A summary of changes between the last approved collective bargaining agreement and this year's agreement has been provided as an attachment to this report. In general, the largest operational impacts are summarized below.

- This is a two year agreement, so all provisions will apply to both FY27 and FY28.
- Human Resources will need to operationalize changes to how career ladder promotions are handled.
- The City and union will need to establish a Labor Management Committee and build a regular schedule of meetings and topics for it.
- There are several language changes in the agreement related to how the City and union handle a number of administrative matters, from new employee orientation to grievance procedures to reporting timelines. Those changes will need to be operationalized and standardized.

- The City is working to standardize compensatory time limits and processes, and this agreement furthers that standardization. This should simplify the administrative processes around comp time.
- This agreement expands mentoring pay under certain circumstances. The City will need to standardize its processes around mentoring to ensure these provisions are applied consistently across departments.

<u>Impact of legislation on staffing needs</u>

The collective bargaining agreements are intended to address the City's processes and approach to existing employees. It does not affect the overall number or kind of positions needed.

<u>Fiscal impact of legislation</u>

The collective bargaining agreement includes a number of provisions that have fiscal impacts or that touch financial topics.

- <u>Wage adjustments</u>: The agreement includes a 2% cost of living adjustment (COLA) for FY27 and FY28. The cost of the COLA is partially offset by a change to how employees advance through career ladders as described in the executive summary. The City estimates that the total cost of the two provisions together will be approximately $50,000.
- <u>Police Communications Operator (PCO) Schedules</u>: The language in the agreement was changed to align with current practice and provide clarity and consistency. There is no anticipated fiscal impact.
- <u>Annual Leave and Compensatory Time Payout</u>: This provision will help the City have more consistency with compensatory time rules applicable to nonrepresented employees. The agreement introduces a cap on compensatory time that can be carried throughout the year; once the cap has been reached, any excess hours worked must be paid as overtime rather than accrued as comp time. There is also now a limit on the number of compensatory time hours that can be carried over to the new leave year, similar to the limit placed on the amount of annual leave that can be carried over. Excess amounts of comp time must be paid out.

  Finally, the agreement introduces a provision that all compensatory time must be fully paid out prior to a promotion. Overall, the intent of these changes is to promote consistency across various employee groups in the City and to limit the long-term liability and cost to the City. With these provisions in place, employees will no longer be able to earn comp time at one rate and then be paid for that comp time at another rate. There will be an initial up-front cost of less than $10,000 to pay out any comp time amounts in excess of the accumulation cap that will be absorbed within the existing departmental budgets.
- <u>Bereavement Leave</u>: The agreement already allowed up to three (3) days of bereavement leave upon the death of an immediate family member, but "immediate family member" did not include aunts, uncles, etc. This agreement adds a provision so that covered employees can take up to one (1) day of bereavement leave for these close

family members that are not covered in the existing 3-day provision. Cost, if any, related to this provision will be absorbed by department budgets.

- After-hours Standby: Some members of AFSCME Local 3162, particularly crime scene technicians, are expected to respond to after-hours events similarly to how some members of other unions are expected to respond. This agreement adds stand-by pay for these union members to bring consistency to how these employees are compensated. We estimate that on average, employees will be on standby about 15 days each month, resulting in a fiscal impact of approximately $7,200.
- Mentoring Pay: While the members of AFSCME Local 3162 do not have training expectations akin to a field training officer for sworn Police officers, they are expected to participate in onboarding of new employees, especially in more technical job classes. This agreement adds a provision for that work to be compensated if it is part of a formal onboarding process and the employee has been formally designated as responsible for this work. This will make it incumbent upon the City to have clear onboarding procedures. Overall, this provision is not expected to have a large fiscal impact and is expected to be absorbed within existing department salary allocations.

Prepared by Victoria Buckland, Deputy City Manager for Administration and Karen Ajayi, Finance Director, and reviewed by Kapri' Turner, Budget Analyst