



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6103
June 21, 2022
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6103: Approval of the 2022-2024 AFSCME Collective Bargaining Agreement	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to sign the AFSCME Collective Bargaining Agreement for the period of January 1, 2022 thru December 31, 2024.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Alaine Sommargren, Deputy Public Works Director Rachel Turpin, Outside Legal Counsel, Madrona Law Group Ben Schumacher, Financial Analyst
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Proposed AFSCME Collective Bargaining Agreement (January 2022-December 2024)
CITY COUNCIL PRIORITY:	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to authorize the City Manager to sign the American Federation of State, County and Municipal Employees (AFSCME), Local 21-M agreement (Exhibit 1) for the period of January 1, 2021 through December 31, 2024.

- Effective January 1, 2022, wage rates for AFSCME employees will include a Cost-of-Living Adjustment (COLA) of 4.0% for FY 2022.
- Effective January 1, 2023, annual wage rates will include a COLA equal to 100% of the first half of CPI-W, subject to a minimum increase of 1.5% and a maximum increase of 6%.
- The three-year agreement standardizes emergency overtime, increases flexibility with use of seasonal employees, includes a sick leave cash out for eligible employees, and reduces the layoff re-hire eligibility timeframe.
- Though not currently included, the City and Union agreed to re-open the agreement to identify mutually beneficial education and certification incentives.

- Effective January 1, 2022, wage rates for non-represented employees will include a COLA increase of 4.0% to align with the AFSCME rates consistent with current practices.

BACKGROUND

The City and AFSCME began the negotiation process for a successor collective bargaining agreement in September 2021. The AFSCME bargaining unit is comprised of 48 members, working in the Public Works, Community Planning and Development, and Finance departments. The previous agreement expired on December 31, 2021, and the two parties reached a tentative agreement on April 27, 2022. Details on the tentative agreement reached by the City's bargaining team are included below.

ISSUE/DISCUSSION

The tentative agreement focused on standardizing the contract to align with State and Federal law and City policies. Specifically, the tentative agreement includes the following substantive changes:

- Lengthens the agreement to a three (3) year contract term, January 1, 2022 to December 31, 2024.
- Includes a standard definition of emergency overtime and eligibility requirements (Article 4).
- Reduces limitations around the use of seasonal employees, allowing additional flexibility in the use of seasonal laborers (Article 4.E).
- Includes revised language around the use of Compensatory Time which provides the AFSCME team members additional flexibility in the accrual and use of this leave. There is no monetary impact associated with the proposed change (Article 9).
- Reduces the layoff re-hire eligibility timeframe from 2 years to 6 months (Article 11.B).
- Includes a Sick Leave cash out provision upon permanent separation from employment for eligible employees (Article 15).

In addition, the City and Union agree to a re-opener to bargain certification pay for represented employees. The City and Union will work to identify education and certification incentives that will be mutually beneficial. There is not currently an incentive program offered.

Wages/Cost-of-Living Adjustment:

- Effective January 1, 2022, the wage rates set forth in Appendix A of the tentative contract will include a 4.0% COLA increase (Article 12). The estimated budget impact of the COLA increase is \$147,000 in 2022 and will be covered within existing 2022 budget authority.
- Effective January 1, 2023, the annual wage rates will include a COLA equal to 100% of the First Half of the Seattle/Tacoma/Bellevue CPI-W, subject to a minimum increase of 1.5% and a maximum increase of 6% (Article 12). The estimated costs for these changes will be incorporated into the 2023-2024 Biennial Budget.

Because the previous contract expired on December 31, 2021, AFSCME employees did not receive a COLA in 2022. Upon approval of this agreement, AFSCME employees will receive retroactive pay for the 4% COLA in 2022. Staff expects these changes to be processed with the July 17 payroll and will be covered within existing 2022 budget authority.

It is the practice of the City to align the COLA for non-represented employees with AFSCME employees. In 2022, non-represented employees received a 2.97% COLA consistent with the previous AFSCME contract. Given the current high rate of inflation, and in order to maintain equity within the organization and help retain existing staff, the 4% COLA approved under the AFSCME Agreement will also be applied to non-

represented employees effective January 1, 2022. Because non-represented employees received a 2.97% COLA in January, the net increase in wages will be 1.03% at an estimated annual cost of \$109,000 for 2022. These changes will be processed in July and will be covered under existing 2022 budget authority.

NEXT STEPS

Following the tentative agreement reached by the parties in April 2022, AFSCME bargaining unit employees voted affirmatively to ratify the attached collective bargaining agreement on May 27, 2022. The agreement is now ready to be fully executed.

RECOMMENDED ACTION

Authorize the City Manager to sign the AFSCME Collective Bargaining Agreement for the period of January 1, 2022, through December 31, 2024, in substantially the form attached hereto as Exhibit 1.