

# **Budget and Fiscal Management Committee**

## **STAFF REPORT**

Agenda Item:	4	Name:	Erik Sund
Proposed No.:	2013-0145	Date:	April 16, 2013

## **SUBJECT:**

Proposed Ordinance 2013-0145 would make a supplemental appropriation of \$175,000 from the General Fund for the payment of retroactive wages for certain employees of the Department of Assessments pursuant to the terms of a Collective Bargaining Agreement (CBA) reached between King County and the Public, Professional & Office-Clerical Employers and Drivers, Teamsters Local 763.

Companion legislation - Proposed Ordinance 2013-0144 - to adopt the CBA itself was referred to and passed by the Government Accountability and Oversight Committee on March 26th and then the Metropolitan King County Council on April 1st.

## **SUMMARY:**

Proposed Ordinance 2013-0145 would provide a supplemental General Fund appropriation of \$175,000 to the Department of Assessments to cover the cost of retroactive Cost-of-Living Adjustments (COLAs) for 2012 to be paid under the provisions of a Collective Bargaining Agreement (CBA) between King County and the Public, Professional & Office-Clerical Employers and Drivers, Teamsters Local 763 (hereafter Teamsters Local 763).

The CBA is for the four-year period from January 1, 2012 through December 31, 2015 and covers approximately 130 employees. The employees' duties include:

- valuation of commercial and residential property in King County for assessment purposes;
- defending appraisals before the Board of Equalization and/or the State Tax Appeals Board; and
- collecting, analyzing, and maintaining data related to residential and commercial property assessments.

The primary financial terms of the contract are as follows.

- COLAs of 1.63% for 2012, 3.09% for 2013, and 2.00% for 2014;
- The gradual replacement over 3 years of supplemental pay (of up to \$200/mo) for taking approved courses on property assessment with a program of tuition reimbursement for the same classes (up to \$250 per year in 2015); and

 An increase in the additional compensation given to employees who earn certain professional certifications and designations (such as Washington State Certified Real Estate Appraiser) from \$75 per month to \$100 per month.

Although the CBA provides for a number of compensation adjustments and non-compensation provisions related to working conditions, the supplemental appropriation included in Proposed Ordinance 2012-0145 covers only the 1.63% COLA for 2012.

## **ANALYSIS**

The \$175,000 appropriation provided in Proposed Ordinance 2013-0145 is greater than the \$153,602 included in the fiscal note transmitted with Proposed Ordinance 2013-0144, which adopts the CBA itself. This difference is due to the fact that the fiscal note for the CBA was based on older payroll data from 2011 used during the negotiation of the agreement while the \$175,000 was based on more current data which includes a number of previously vacant positions that were filled in 2012.

The 2013 Adopted Budget provides an appropriation of \$21,778,926 for the Department of Assessments, so this \$175,000 appropriation provided by this legislation would increase the department's funding for the year by approximately 0.8% to \$21,953,926. In anticipation of the need for these funds, the Department underspent its 2013 budget allocation by more than this amount (approximately \$350,000).

The ongoing, non-retroactive cost of the 2012 COLA and the other provisions of the CBA are already included in the 2013 Adopted Budget for the Department of Assessments.

## **REASONABLENESS:**

Proposed Ordinance provides expenditure authority to cover the costs associated with the CBA between King County and the Public, Professional & Office-Clerical Employers and Drivers, Teamsters Local 763. The CBA was adopted by Metropolitan King County Council on April 1, 2013 as Ordinance No. 17544, so the adoption of this ordinance would constitute a reasonable business and policy decision.

### **INVITED:**

1. Dwight Dively, Director, Office of Performance, Strategy and Budget

### **ATTACHMENTS:**

- 1. Proposed Ordinance 2013-0145
- 2. Fiscal Note



15

# **KING COUNTY**

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

# **Signature Report**

# **April 15, 2013**

# **Ordinance**

Proposed No. 2013-0145.1 Sponsors McDermott and Phillips
AN ORDINANCE making a supplemental appropriation of
\$175,000 to assessments for 2012 retroactive wages to
employees represented by the International Brotherhood of
Teamsters Local 763 Union; and amending the 2013/2014
Budget Ordinance, Ordinance 17476, Section 41, as
amended.
BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:
SECTION 1. From the general fund there is hereby appropriated a total of
\$175,000 to assessments for 2012 retroactive wages to employees represented by the
International Brotherhood of Teamsters Local 763 Union.
SECTION 2. Ordinance 17476, Section 41, as amended, is hereby amended by
adding thereto and inserting therein the following:
ASSESSMENTS From the general fund there is hereby appropriated to:
Assessments \$175,000

	KING COUNTY COUNCIL KING COUNTY, WASHINGTON
ATTEST:	Larry Gossett, Chair
Anne Noris, Clerk of the Council	
APPROVED this,,	
Attachments: None	Dow Constantine, County Executive

### **FISCAL NOTE**

Ordinance/Motion No. 00-

Public, Professional & Office-Clerical Employees and Drivers, Teamsters Local 763 (Department of

Title: Assessments)

Affected Agency and/or Agencies: Office of Labor Relations, Department of Assessments

Note Prepared By: Yiling Wong

Note Reviewed By: Helene Ellickson

Impact of the above legislation on the fiscal affairs of King County is estimated to be: 1

### Revenue to:

Fund/Agency	Fund	Revenue	Current Year	1st Year	2nd Year	3rd Year
	Code	Source				
TOTAL			0	0	0	0

#### **Expenditures from:**

Fund/Agency	Fund	Department	Current Year	1st Year	2nd Year	3rd Year
	Code					
General Fund/Assessments	0010	A67000	175,000	0	0	0
TOTAL			175,000	0	0	0

### **Expenditures by Categories**

			Current Year	1st Year <sup>3</sup>	2nd Year	3rd Year
Wages & Benefits	0010	A67000	175,000	0	0	0
TOTAL			175,000	0	0	0

### Assumptions:

<sup>&</sup>lt;sup>1.</sup> This 2013 supplemental request is to fund retroactive payment of 2012 negotiated cost-of-living increases (COLA). Funds are available from 2012 budget underexpenditure by the Department of Assessments, as it was an anticipated cost for 2012, and therefore does not have any additional impact on the fiscal affairs of King County.

<sup>&</sup>lt;sup>2.</sup> The supplemental request for \$175,000 is based on actual 2012 personnel data, updated from the Office of Labor Relation's fiscal note estimate of \$153,602 based on year-end 2011 payroll data.

<sup>&</sup>lt;sup>3.</sup> No additional expenditures are estimated in outyears; COLA is already accounted for in 2013 budgeted levels.