

SUMMARY AND BACKGROUND:

The City began negotiations with SPEU on November 14, 2016, for a successor collective bargaining agreement. A final tentative agreement for a three-year agreement was reached during mediation on July 26, 2017. The employees represented by SPEU ratified the agreement on August 31, 2017.

FACTS AND FINDINGS:

1. The principle features of the successor agreement are as follows:

A. Term of Agreement: Three years commencing on July 1, 2017, through June 30, 2020.

B. Wage Increase.

Year 1 of agreement:

- Effective July 1, 2017, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective January 1, 2018, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective July 1, 2017, select premium and extra duty pay will increase to three percent (3.0%).
- Effective upon ratification of the successor agreement, a new premium pay for Drug Recognition Experts (DRE) will be three percent (3.0%).

Year 2 of agreement:

- Effective July 1, 2018, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective January 1, 2019, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective July 1, 2018, select premium and extra duty pay will increase to four percent (4.0%).

Year 3 of agreement:

- Effective July 1, 2019, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective January 1, 2020, each step of the salary schedule for SPEU members will be increased by one and one-half percent (1.5%).
- Effective July 1, 2019, select premium and extra duty pay will increase to five percent (5.0%).

C. Health Insurance Premium: Effective in the first pay period of December 2017, for the benefit plan year beginning January 2018, each employee shall contribute \$55.00 per pay period towards the cost of health insurance coverage.

D. Floating Holidays: Effective January 1, 2018, an additional floating holiday (eight hours per year) will be granted to each employee.

E. Collective Bargaining Agreement: The agreement is posted online at:

<<http://www.cityofsalem.net/Pages/pay-plans-and-labor-contracts.aspx>>

2. The approximate financial impact of this recommended settlement for the duration of the agreement is as follows:

Year 1: \$483,741

Year 2: \$1,137,536

Year 3: \$1,899,108

The approximate total financial impact over the life of the contract is \$3,520,385. It is anticipated the Police Department will absorb the additional cost beyond that included in the FY 2017-18 budget for the first year of the agreement. If the cost cannot be absorbed, staff will return late in the fiscal year with a transfer request from contingencies.

Mina Hanssen
Human Resources Director

Attachments:
None.