



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

October 2, 2017

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CB-113-2017 – Collective Bargaining Agreement - Deputy Sheriff's Association of
Prince George's County, Inc. (Civilian Units)

CR-079-2017 – Compensation and Benefits - Deputy Sheriff's Association of Prince
George's County, Inc., Salary Schedule Z

Pursuant to your request, we have reviewed CB-113-2017 and CR-079-2017 to estimate their fiscal impact on Prince George's County, Maryland.

CB-113-2017 approves a two-year labor agreement for civilian employees belonging to the Deputy Sheriffs Association of Prince George's County, Inc. (Civilian Units). CR-079-2017 amends the Salary Plan for civilian employees within the Office of the Sheriff, paid on Salary Schedule Z, to reflect wage and benefit modifications effective July 1, 2016, through June 30, 2018.

Details of all modifications to Salary Schedule Z are presented in the Settlement Summary attached to the County Executive's cover letter to the Council Chair, and have been enclosed hereto, for your convenience. Provided below is a summary of the modifications affecting covered employees, and having a significant fiscal impact upon the County during fiscal year 2018 and beyond.

- Eligible employees covered by Salary Schedule Z will receive a two percent (2.0%) COLA effective the first full pay period of October.

- Eligible employees covered by Salary Schedule Z will receive two merit step increases on their employee anniversary date during FY 2018. There will be no retroactive merit payment prior to July 2017, and no other merit steps will be paid for the duration of this agreement.
- Effective the first full pay period beginning on or after September 1, 2016, the shift differential for covered employees working the first shift shall increase by fifteen cents (\$0.15) per hour, from \$2.50 per hour to \$2.65 per hour, for each employee assigned to work the first shift. Effective the first full pay period beginning on or after July 1, 2017, the first shift differential shall increase by fifteen cents (\$0.15) per hour to \$2.80 per hour.
- Effective the first full pay period beginning on or after September 1, 2016, the shift differential for covered employees working the third shift shall increase by fifteen cents (\$0.15) per hour, from \$2.15 per hour to \$2.30 per hour, for each employee assigned to work the third shift. Effective the first full pay period beginning on or after July 1, 2017, the third shift differential shall increase by ten cents (\$0.10) per hour to \$2.40 per hour.
- Non-essential employees who work the second shift during a County government delayed opening or closure, as defined within Section 7.06 of the Collective Bargaining Agreement, will be paid at least two (2) hours of straight time, plus a two dollar (\$2.00) per hour premium.
- In *Calendar Year 2018*, the percentage rate at which covered employees contribute toward the cost of health insurance benefits will increase by three percent (3%) for each of the health insurance plans, the deductible prescription drug plan, and the vision care programs, offered by the County.

Enactment of CB-113-207 and adoption of CR-079-2017 is estimated to have a negative fiscal impact to the County of approximately \$185,100 during fiscal year 2018 related to the COLA and merit increases. Attachment A provides a breakdown of the cost components.

If you require additional information or have questions regarding the fiscal impact statement, please call me.

Attachment

**Fiscal Impact of Amendment to Salary Plan for Deputy Sheriff's Association, Civilian Unit, Salary Schedule Z
Effective July 1, 2016 to June 30, 2018**

Current Payroll \$ 3,525,382
 Number of Employees 72
 Average Salary \$ 49,000

Category	Effective Date	FY 2018 Direct Cost	FY 2018 Fringe Cost	FY 2018 Total Cost
COLA	October 1, 2017	\$ 51,500	\$ 4,000	\$ 55,500
FY 17 Merit Increase	FY 18 Employee Anniversary Date	\$ 59,600	\$ 4,600	\$ 64,200
FY 18 Merit Increase	FY 18 Employee Anniversary Date	\$ 60,700	\$ 4,700	\$ 65,400
Totals		\$ 171,800	\$ 13,300	\$ 185,100

SETTLEMENT SUMMARY

THE DEPUTY SHERIFFS ASSOCIATION OF PRINCE GEORGE'S COUNTY, INC. CIVILIAN EMPLOYEES AND PRINCE GEORGE'S COUNTY, MARYLAND

FISCAL YEARS 2017 & 2018

The following is a complete summary of modifications to the wages and benefits agreed to by The Deputy Sheriffs Association of Prince George's County, Inc. Civilian Employees ("Union") and Prince George's County, Maryland ("County"), which are included in the parties' new collective bargaining agreement ("CBA"). The CBA is effective Fiscal Years 2017 and 2018 and covers civilian employees within the Sheriff's Department. The Article within the new CBA where each modification appears is identified.

WAGES

A. Wage Adjustments

Employees covered by this Agreement will receive a two percent (2%) cost of living (COLA) adjustment effective the first full pay period of October 2017.

B. Merit Increases

Employees covered by this Agreement will receive the following merit increases:

1. Fiscal Year 2017. Employees covered by this Agreement who are otherwise eligible to receive a three and one-half percent (3-1/2) merit increase during the period from July 1, 2016 through June 30, 2017 (i.e., Fiscal Year 2017) shall be paid this merit increase during Fiscal Year 2018 (from July 1, 2017 to June 30, 2018), effective on each employee's anniversary date. Except as noted below (Section 3), there shall be no retroactive payments for this merit.
2. Fiscal Year 2018. Employees covered by this Agreement who are otherwise eligible to receive a three and one-half percent (3-1/2%) merit increase during the period from July 1, 2017 through June 30, 2018 (i.e., Fiscal Year 2018), shall be paid this merit increase during Fiscal Year 2018 (from July 1, 2017 to June 30, 2018), effective on each employee's anniversary date.
3. There will be no retroactive merit pay prior to July 2017 and no other merit increases will be paid for the duration of this Agreement.

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C. The minimum and maximum rates will be increased in accordance with the COLA for Fiscal Year 2018, as set forth in Section A of this Article (Article 5.02 Wages). In addition, effective July 1, 2017, the maximum rates will be increased by three and one-half percent (3-1/2%).

(ARTICLE 5, SECTION 5.02)

SPECIAL SALARY RATES

SHIFT DIFFERENTIAL

Effective First Full Pay Period Beginning on or after September 1, 2016

Employees who work the first shift will receive a 15 cents increase in their shift differential, from \$2.50 to \$2.65 per hour. Employees who work the third shift will receive a 15 cents increase in their shift differential, from \$2.15 to \$2.30 per hour.

Effective First Full Pay Period Beginning on or after July 1, 2017

Employees who work the first shift will receive a 15 cents increase in their shift differential, from \$2.65 to \$2.80 per hour. Employees who work the third shift will receive a 10 cents increase in their shift differential, from \$2.30 to \$2.40 per hour.

(ARTICLE 6, SECTION 6.04)

FRINGE BENEFITS

ADDITIONAL LEAVE PROVISIONS

It amends Section A by deleting the language describing the twenty-four (24) hour period beginning at 6:00 a.m. and inserting the wording "County office" to clarify the type of closure. Also, an example of this type of situation is included.

A new paragraph is added concerning delayed openings and closures for County Government and how these delays/closures will impact non-essential employees who work the second shift. It states that these employees will be paid at least two (2) hours of straight time, plus a two dollar (\$2.00) per hour premium. For this section, County Government's hours of operation are 8:30 a.m. to 5:00 p.m.

(ARTICLE 7, SECTION 7.06)

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PRESIDENTIAL AND UNION BUSINESS LEAVE

This change amends the language to allow union members up to forty (40) hours of the two hundred and fifty (250) hours of union business leave hours for contract negotiation preparation. Each member is limited to no more than four (4) hours per work day for this use.

(ARTICLE 7.11, B)

HEALTH INSURANCE PREMIUMS

This change extends the current premium split to FY'17. It adjusts the premiums for FY'18 to reflect the new splits.

Section A. Effective January 2018, the County shall contribute seventy percent (70%) to the cost of the County's preferred provider option insurance plan for any employee who elects to participate in the program. Participating employees and retirees shall contribute the remaining thirty percent (30%).

Section B. Effective January 1, 2018, the County shall contribute seventy-five (75%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any employee or retiree who elects to participate in the program. Participating employees shall contribute the remaining twenty-five percent (25%).

Section D. Effective January 2018, the County shall contribute eighty-five percent (85%) to the County's deductible prescription drug and vision care programs for any employee who elects to participate in either program. The participating employee shall contribute the remaining fifteen percent (15%).

Section G. The language is amended to remove the maximum dollar amounts for the dependent flexible spending and medical flexible spending accounts and to replace them with the following wording, "*the maximum dollar amount allowed by IRS regulations*".

(ARTICLE 7, SECTION 7.13)

DURATION

This Agreement shall become effective on July 1, 2016, unless otherwise stated in specific sections, and shall remain in full force and effect until June 30, 2018. This Agreement shall be automatically renewed from year to year after June 30, 2018, unless either party shall notify the other in writing no later than October 1, 2017 (or October 1st of any subsequent year thereafter in the case of an automatic renewal) that it desires to terminate, modify or amend this Agreement.

(ARTICLE 24)