



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

September 4, 2018

**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-066-2018 – Collective Bargaining Agreement – International Association of Fire  
Fighters, Local 1619, AFL-CIO (Fire Fighters, Paramedics and Fire Fighter/Medics)

CR-052-2018 – Compensation and Benefits - International Association of Fire Fighters,  
Local 1619, AFL-CIO, Salary Schedule Y

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***Legislative Summary***

CB-066-2018 amends the Collective Bargaining Agreement (the "Agreement") for sworn County employees in the International Association of Fire Fighters, AFL-CIO, Local 1619 for Fire Fighters, Paramedics and Fire Fighter/Medics.

CR-052-2018 amends the salary plan for Fire Fighters, Paramedics and Fire Fighter/Medics, Salary Schedule Y, to reflect wage and benefit modifications effective July 1, 2018 through June 30, 2020.

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***Background/Current Law***

The Prince George's County Charter Section 908 authorizes County employees to participate in the formulation and implementation of personnel policies affecting their employment, and to have the right to organize and bargain collectively through representatives of their own choosing, subject to any procedural regulations provided by the County Council by law.

***Resource Personnel***

Stanley Earley, Director, Office of Management and Budget

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***Assumptions and Methodology***

Details of modifications to the Agreement and Salary Schedule Y are presented in the County Executive's Cover Letter and Settlement Summary for the proposed legislation. Notable modifications to the agreement are as follows:

- Effective July 1, 2018, the maximum pay rates for members covered by this Agreement will increase by three and one-half percent (3.5%). Members who are at the maximum wage on that date, will receive a salary enhancement by three and one-half percent (3.5%) on that date.
- A two percent (2%) cost of living adjustment (COLA) shall be effective the first full pay period beginning after January 1, 2019;
- A two percent (2%) COLA shall be effective the first full pay period beginning after January 1, 2020;
- Eligible employees covered by the agreement, and who are eligible to receive a merit increase during fiscal year 2019, shall receive the merit increase of three and a half percent (3.5%) on their hire anniversary date occurring during fiscal year 2019;
- Eligible employees covered by the agreement, and who are eligible to receive a merit increase during fiscal year 2020, shall receive the merit increase of three and a half percent (3.5%) on their hire anniversary date occurring during fiscal year 2020;
- Language was amended within the agreement to equalize holiday pay for members' working on a holiday to require a rate of pay which equal two times a member's regular rate for all hours worked on a holiday;
- Agreement language is amended to remove the \$200,000 cap related to basic group term life insurance purchased on behalf of a member. Language is also modified to increase the cap from \$800,000, to \$1,000,000, related to extended life insurance coverage purchased by a member;
- Effective January 1, 2019, the contribution rate to the retirement trust fund increases from six percent (6%) to seven percent (7%) for members hired prior to July 1, 2008.
- A Deferred Retirement Option Program (DROP) becomes effective on January 1, 2019 for any member who has completed twenty-two (22) years of service as defined by the Fire Service Pension Plan. Each calendar month, a maximum of four (4) members may enter the DROP. If more than four (4) members apply, the members with the greatest seniority shall be selected. The DROP term shall be three (3) years from the anniversary date of entrance into the DROP. Under the DROP, an employee would agree to continue to work for three (3) additional years, and would forgo the addition of the 3 years of service into the calculation of pension plan benefits. In lieu of the 3 additional years of service calculated into pension plan benefits, the County would place retirement payments into an interest-bearing account for each year the employee remains employed with the County. The interest-bearing account would earn monthly compounded interest, if the employee

maintains their commitment to continue to work for the 3-year DROP term. Employee pension plan contributions would continue to be withheld from the employee's bi-weekly payroll earnings, but would be placed into the DROP interest-bearing account, and not credited to the employee's pension plan. After completion of the 3-year DROP term, the employee would officially retire, and would receive the funds deposited into the interest-bearing account, the accumulated interest earned on the interest-bearing account, and would also receive the calculated pension plan payments in accordance with pension plan terms. Based on the latest actuarial study there are at least 83 members eligible to retire.

- Agreement language was modified to clarify and define scheduled leave and the process of bidding leave.
- A successful comprehensive medical physical examination must be completed annually for each member covered by the Agreement.
- The Department shall conduct an internal process to fill Peer Fitness Trainer vacancies, as needed. Each Peer Fitness Trainer shall participate in forty (40) hours of on-duty physical fitness training each calendar year.
- Diesel Exhaust capture systems shall be installed and maintained in each Fire/EMS Station which has an assigned member who is covered by this Agreement.
- Agreement language is amended to extend the Christmas Day holiday from twenty-four (24) to thirty-six (36) hours.
- A Mandatory Callback Policy is established, and details of the policy are outlined within the Agreement.

***Fiscal Impact***

- Direct Impact

The adoption and enactment of this legislative package is estimated to have a total negative fiscal impact to the County for fiscal year 2019 through fiscal year 2020 of approximately \$5.7 million as a result of the changes to the Collective Bargaining Agreement. The major components of this cost by fiscal year are shown in the table below:

|                                  | <u>FY 2019</u>     | <u>FY 2020</u>     | <u>Total</u>       |
|----------------------------------|--------------------|--------------------|--------------------|
| <b>Merit Increase</b>            | \$2,158,600        | \$2,256,500        | \$4,415,100        |
| <b>Cost-of-Living Adjustment</b> | <u>638,300</u>     | <u>667,300</u>     | <u>1,305,600</u>   |
| <b>Total</b>                     | <u>\$2,796,900</u> | <u>\$2,923,800</u> | <u>\$5,720,700</u> |
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*Appropriated in the Current Fiscal Year Budget*

Fiscal Year 2019 anticipated costs were provided for in the current fiscal year budget.

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*Effective Date*

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law. The Agreement, unless specifically stated otherwise in a specific provision, shall be retroactively effective to July 1, 2018.

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