



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 31, 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*
Legislative Auditor

RE: Fiscal Impact Statement
CB-045-2017 – Collective Bargaining Agreement – International Association of Fire
Fighters, Local 1619, AFL-CIO (Fire Fighters, Paramedics and Fire Fighter/Medics)

CR-032-2017 – Compensation and Benefits - International Association of Fire Fighters,
Local 1619, AFL-CIO, Salary Schedule Y

Pursuant to your request, we have reviewed the above referenced legislation to estimate its fiscal impact on Prince George's County, Maryland.

CB-045-2017 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-032-2017 amends the salary plan for Fire Fighters, Paramedics and Fire Fighter/Medics, Salary Schedule Y, to reflect wage and benefit modifications effective July 1, 2016 through June 30, 2018.

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

- Effective July 1, 2017, the maximum wage scale for grades Y01 through Y06 are increased by three and one-half percent (3.5%). Employees who are at the maximum wage on that date, will receive a salary enhancement by three and one-half percent (3.5%).

- A two percent (2%) cost of living adjustment (COLA) shall be effective the first full pay period beginning on or after July 1, 2017;
- A two percent (2%) COLA shall be effective the first full pay period beginning on or after January 1, 2018;
- Eligible employees covered by the agreement, and who are eligible to receive a merit increase during fiscal year 2017, shall receive the merit increase of three and a half percent (3.5%) on their employee anniversary date during fiscal year 2018;
- Special duty pay for eligible employees classified as Bomb Technicians shall be increased from nine percent (9%) per hour to ten percent (10%) per hour, in addition to their regular base pay;
- Special duty pay for eligible employees who are assigned, or detailed for a period greater than fourteen (14) consecutive days, to the Technical Services Division and are certified to the NFPA Technician Level for Hazardous Materials, Rope Rescue, Swift Water Rescue, Structural Collapse, Confined Space and/or Trench Rescue shall receive no more than six percent (6%), an increase from four and one-half percent (4.5%), of special duty pay related to the aforementioned certifications;
- The Uniform Allowance shall increase by \$200 (from \$1,070 to \$1,270) for eligible employees;
- 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;
- Employees who retire on or after January 1, 2018, will contribute to their health insurance benefit costs at the same rate as active employees;
- The health insurance benefit cost contribution rate for employees who retired prior to January 1, 2018, shall be capped as defined within section 9B of the agreement;
- Effective January 1, 2018, all employees covered by this Agreement shall be issued two (2) sets of Structural Firefighting Turnout Gear that shall be measured to fit each employee in accordance with the manufacturer's recommendations.

The adoption and enactment of this legislation package is estimated to have a total negative fiscal impact to the County for fiscal year 2018 of approximately \$4,236,300 related to the COLA, merit, and uniform allowance increases. There will also be minimal fiscal impact to the County related to the increase in special duty pay and the cost of the Structural Firefighting Turnout Gear, offset by the savings realized from the increase in health benefit cost sharing by employees and retirees. Attachment A provides a breakdown of the cost components related to the COLA, merit, and uniform allowance increases.

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

**Fiscal Impact of Labor Agreement for International Association of Fire Fighters, AFL-CIO, Local 1619
(Fire Fighters, Paramedics and Fire Fighter/Medics)**

Salary Schedule Y

Effective July 1, 2016 to June 30, 2018

| | |
|---------------------|---------------|
| Current Payroll | \$ 56,869,290 |
| Number of Employees | 847 |
| Average Salary | \$ 67,100 |

| Category | Effective Date | FY 2018 Cost | FY 2018 Fringe Cost | FY 2018 Cost | Total |
|-------------------------|---------------------------------|---------------------|------------------------|---------------------|-------|
| Cost of Living Increase | July 1, 2017 | \$ 1,137,400 | \$ 87,100 | \$ 1,224,500 | |
| Cost of Living Increase | January 1, 2018 | \$ 580,100 | \$ 44,400 | \$ 624,500 | |
| FY 2017 Merit Increase | Anniversary Date during FY 2018 | \$ 1,015,200 | \$ 77,700 | \$ 1,092,900 | |
| FY 2018 Merit Increase | Anniversary Date during FY 2018 | \$ 1,032,900 | \$ 79,100 | \$ 1,112,000 | |
| Uniform Allowance | July 1, 2017 | \$ 169,400 | \$ 13,000 | \$ 182,400 | |
| Totals | | \$ 3,935,000 | \$ 301,300 | \$ 4,236,300 | |