



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-073-2018 – Collective Bargaining Agreement – Fraternal Order of Police 112, Prince
George's County Sheriffs Lodge Inc. (Deputy Sheriffs)

CR-056-2018 – Compensation and Benefits - Fraternal Order of Police 112, Prince George's
County Sheriffs Lodge Inc., Salary Schedule W

Legislative Summary

CB-073-2018 amends the Collective Bargaining Agreement (the "Agreement") for sworn County employees in the Fraternal Order of Police 112, Prince George's County Sheriffs Lodge Inc. for Deputy Sheriffs.

CR-056-2018 amends the salary plan for Deputy Sheriffs, Salary Schedule W, to reflect wage and benefit modifications effective July 1, 2018 through June 30, 2020.

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

Assumptions and Methodology

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

- A two percent (2%) cost of living adjustment (COLA) shall be effective the first full pay period beginning after January 1, 2019;
- A one and one-quarter percent (1.25%) 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 to three and one-half percent (3.0 - 3.5%), depending on their step, 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 to three and one-half percent (3.0 - 3.5%), depending on their step, on their hire anniversary date occurring during fiscal year 2020;
- Effective the first full pay period in January 2019, the Uniform Wage Scale is modified as follows:
 - Steps A through V shall be for 2 to 23 years of service, and Step W shall be for 24 or more years of service;
 - Step B shall be established at 4% above Step A;
 - Steps C through M shall be established at 3.5% above the prior step;
 - Steps N through P shall be established at 1.75% above the prior step;
 - Steps Q through W shall be established at 1% above the prior step;
- Effective July 1, 2018, shift differential for the first shift increases by \$0.30 per hour and \$0.15 per hour for the third shift;
- Effective the first full pay period in July 2018, the annual clothing allowance increases from \$1,400 to \$1,500;
- Increases in TEC pay amounts by \$100 the first full pay period in July 2018;
- Effective the first full pay period in February 2020, each eligible retiree will receive a minimum increase of \$420 annually;
- The County and FOP 112 agree to form a Joint Study Committee, upon the enactment of this Agreement, to study the question of whether it would be desirable and feasible to modify the current pension plan to add a Deferred Retirement Option Plan (DROP).

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 \$1,463,500 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:

	<i><u>FY 2019</u></i>	<i><u>FY 2020</u></i>	<i><u>Total</u></i>
Merit Increase	\$ 486,000	\$ 515,900	\$1,001,900
Cost-of-Living Adjustment	138,800	92,100	230,900
Wage Scale Adj	<u>230,700</u>	<u>0</u>	<u>230,700</u>
Total	<u>\$ 855,500</u>	<u>\$ 608,000</u>	<u>\$1,463,500</u>

Appropriated in the Current Fiscal Year Budget

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

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.

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