



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

April 3, 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-032-2017 – American Federation of State, County and Municipal Employees (AFSCME) – Collective Bargaining Agreement (Locals 1170, 2462, 2735, and 3389)
CR-020-2017 – American Federation of State, County and Municipal Employees (AFSCME) – Salary Schedule A (Locals 1170, 2462, 2735, and 3389)

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

CB-032-2017 amends the negotiated labor agreement (Agreement) between the County and Council 67, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO and its affiliated Locals 1170, 2462, 2735, and 3389, providing for wages and certain other terms and conditions of employment for specific personnel classifications. This Agreement covers civilian employees within the Health Department, Department of Housing and Community Development (DHCD), Department of Family Services, Department of Permitting, Inspections and Enforcement (DPIE), the Department of Public Works and Transportation (DPW&T), Department of the Environment (DOE) and the Office of Central Services (OCS).

CR-020-2017 amends the salary plan of the County (also known as Salary Schedule A) to reflect the terms and conditions of the aforementioned labor agreement. As proposed, the Agreement shall become effective on July 1, 2016, unless otherwise stated within specific sections of the Agreement, and shall remain in full force and effect until June 30, 2018.

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

- A three percent (3%) cost of living adjustment (COLA) shall be effective the first full pay period in January 2017;
- A one percent (1%) COLA shall be effective the first full pay period in January 2018;
- Eligible employees covered by the agreement shall receive a merit increase of three and a half percent (3.5%) on their employee anniversary date beginning the first full pay period in July 2017;
- Permit Specialists within DPIE shall receive a six percent (6%) increase in their hourly rate of pay provided they meet certain conditions regarding certification pay;
- Employees taking professional development courses for CEU credits related to their County required professional certification shall be reimbursed \$100 per year toward the cost of training costs effective the first full pay period in January 2017;
- Differential Pay shall increase by 20 cents (from \$1.40 to \$1.60) for covered employees assigned to the Refuse Disposal Division or the Refuse Collection Division;
- Field Personnel and Mechanics assigned to the Highway Maintenance Division shall receive a differential of 75 cents for each hour actually worked;
- The uniform maintenance allowance shall increase by \$100 for Animal Control Officers. The new rate will be \$625.00 per year, and will be paid during the first full pay period beginning after July 1 of each year of the Collective Bargaining Agreement;
- The expense allowance shall increase by \$40.00 for Construction and Property Standards Inspectors, and Refuse Collection Inspectors. The new expense allowance shall be \$250.00 per year for actual expenses reasonable and necessary incurred in the performance of their jobs;
- Crew Supervisors in DPW&T, and Transportation and Environmental Health Specialists in the Health Department, will be added to the class of employees eligible to receive a clothing allowance of \$250.00 per year;
- The cost for one Commercial Driver's License (CDL) physical exam per year shall be paid for by the County, effective January 1, 2017, for all covered employees required to possess a CDL for their work.

The adoption and enactment of this legislation package is estimated to have a total negative fiscal impact to the County for fiscal year 2017 of \$916,600 related to the COLA increase. For fiscal year 2018, the estimated total negative fiscal impact is \$4.4 million related to the COLA and merit increases. There will also be minimal fiscal impact to the County related to the increases in

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certification pay, the payments for professional certification, differential pay, expense allowance, clothing allowance, and CDL physical exams. Attachment A provides a breakdown of the cost components.

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

**Fiscal Impact of Amendment to Salary Plan for AFSCME Locals 1170, 2462, 2735 and 3389, Salary Schedule A
Effective July 1, 2016 to June 30, 2018**

Current Payroll (excluding certain exempt employees) \$ 56,768,260
 Number of Employees 1,054
 Average Salary \$ 53,900

Category	Effective Date	FY 2017 Direct Cost	FY 2017 Carryover Cost	FY 2018 Direct Costs	Fringe Costs	Total Cost
FY 17 Cost of Living Adjustment (COLA)	January 8, 2017	\$ 851,524			\$ 65,100	\$ 916,600
FY 17 COLA Carryover Cost to FY 18	July 1, 2017 to June 30, 2018		\$ 1,703,048		\$ 130,300	\$ 1,833,300
FY 18 Cost of Living Adjustment (COLA)*	January 7, 2018			292,357	\$ 22,400	\$ 314,800
Merit Increase	Employee Anniversary Date			2,046,496	\$ 156,600	\$ 2,203,100
Totals		\$ 851,524	\$ 1,703,048	\$ 2,338,852	\$ 374,400	\$ 5,267,800

* Payment of the FY 2018 COLA is contingent upon the Union's acceptance of Article 40 of the Collective Bargaining Agreement.