



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

June 1, 2016

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-035-2016 – Collective Bargaining Agreement – International Association of Fire
Fighters, Local 1619, AFL-CIO (Fire Fighters, Paramedics and Fire Fighter/Medics)

CR-040-2016 – Compensation and Benefits - International Association of Fire Fighters,
Local 1619, AFL-CIO, Salary Schedule Y

Pursuant to your request, we have reviewed CB-035-2016 and CR-040-2016 to estimate their fiscal impact on Prince George's County, Maryland.

CB-035-2016 seeks to approve a 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-040-2016 amends the salary plan for Fire Fighters, Paramedics and Fire Fighter/Medics, Salary Schedule Y, to reflect wage and benefit modifications effective July 1, 2015 through June 30, 2016.

Details of all modifications to the Agreement and Salary Schedule Y are presented in the County Executive's Cover Letter and Settlement Summary for the proposed legislation. A summary has been provided below for those modifications affecting employees covered under the proposed Agreement, and having a significant fiscal impact upon the County during fiscal year 2017 and beyond.

- A two percent (2.0%) cost-of-living (COLA) adjustment shall be applied to base wages for covered employees if FY 2016 Adjusted Total County Source General Fund Revenues are forecasted to exceed the Spending Affordability Committee's General Fund Forecast of \$1,465 million, by 3.5%. This would mean a two percent (2.0%) COLA shall only be paid if adjusted revenues are forecasted to exceed \$1,516.3 million. If forecasted 2016 Adjusted Total County Source General Fund Revenues do not exceed \$1,516.3 million, but do reach

\$1,501.6 million then all eligible employees covered by the Agreement shall receive a one percent (1%) COLA. The County will evaluate revenue information in December 2015 to determine if a COLA should be paid beginning in January 2016, based on the aforementioned criteria. If revenue thresholds are not met during the December 2015 evaluation, revenues shall be evaluated in March 2016 for a potential COLA payment in April 2016. According to revenue forecasts provided in the FY 2017 Proposed Operating Budget, all eligible employees covered by the Agreement shall receive a one percent (1%) COLA upon enactment and adoption of the aforementioned legislation.

- Employees who are eligible for a merit increase during the period from July 1, 2015 through June 30, 2016, shall receive a merit increase on the employee's anniversary date during fiscal year 2017.
- Special duty pay of one thousand forty-dollars (\$1,040) per year, for FY 2016 only, will be paid in one installment in July 2016. The payment will be based upon active service as a County Certified Paramedic designated as a FTO/preceptor in the Y03 classification. The payment shall be prorated based upon one thousand four hundred forty (1,440) hours of service as field training officer.
- Differential pay of \$3.00 per hour shall be paid to each County Certified Paramedic in the Y03 classification and designated as Field Trainings Officer/Paramedics effective the first full pay period beginning on or after July 1, 2016.
- A Conference and Seminar Leave Bank of five hundred and seventy-six (576) hours is established. All requests for leave under the Conference and Seminar Leave Bank shall subject to the approval of the Fire Chief, and if granted, shall be without loss of pay of leave and shall not be counted against the Union Business Leave Bank.
- A Union Business Leave Bank of one thousand five-hundred (1,500) hours is established. All requests for leave under the Union Business Leave Bank shall subject to the approval of the Fire Chief, and if granted, shall be without loss of pay of leave.

Enactment of CB-035-2016 and adoption of CR-040-2016 is estimated to have a negative fiscal impact to the County of approximately \$2.8 million as a result of modifications to salary schedule Y (see attachment A for a detailed breakdown), related to the COLA and merit increase. There will be additional negative fiscal impact related to increases in special duty pay, shift differential pay to Field Training Officers, and leave related pay for use of the newly established Leave Banks, however, the amount should be relatively minor.

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

Attachment

**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, 2015 to June 30, 2016

Current Payroll	\$ 57,404,651
Number of Employees	830
Average Salary	\$ 69,200

Category	Effective Date	FY 2016 Direct Cost	FY 2016 Fringe Cost	FY 2016 Total Cost	FY 2016 Rollover Cost (includes Fringe)
Cost of Living Increase	April 2016	\$ 143,500	\$ 11,000	\$ 154,500	\$ 463,500
Merit Increase	Anniversary Date	\$ 1,641,100	\$ 125,600	\$ 1,766,700	\$ 396,300
Totals		\$ 1,784,600	\$ 136,600	\$ 1,921,200	\$ 859,800