



Takoma Park City Council Meeting – January 19, 2022 Agenda Item 3

Voting Session

Second Reading Ordinance Amending the Annual Budget in Order to Provide Additional Compensation to City Employees in Recognition of Their Efforts During the Last Year

**The City Council adopted the resolution referenced in this cover memo on January 12, 2022.*

Recommended Council Action

Adopt the ordinance at second reading.

Context with Key Issues

City staff provide essential services and work to advance the City Council's goals. Annual wage increases are considered during budget discussions each year, and as a result of negotiations with the City's two labor unions.

For Fiscal Year 2022, personnel costs for FY22 were budgeted at \$19.4 million, or about 54% of the City's annual General Fund operating budget. Of that amount, \$11.5 million was budgeted for staff wages. The ECI was 1.8% for wages and 2.3% for total compensation as of December 2020. The FY22 budgeted amount reflected a 1.8% increase for wages and a .2% margin for contingency costs.

The City Council previously approved a 1.8% increase for non-represented employees and members of UFCW Local 400, as a result of collective bargaining reopener negotiations. The cost of that increase was \$103,500.

The City Manager requests Council approval for a collective bargaining reopener agreement with AFSCME Local 3399 for a 3% wage increase, and an additional 1.2% wage increase for staff that are covered by UFCW Local 400 and those employees that are not represented by any Union. This reflects an annual wage increase but no step increases or additional steps for a "Distinguished" performance rating.

The 3% increase to AFSCME members is \$169,500, and the additional 1.2% to non-represented employees and Local 400 members is \$79,500. The total expenditure for all wage increases to all employees for FY22 is expected to be \$352,500.

When the Preliminary FY22 Budget was presented to Council in April 2021, compensation negotiations were not yet completed for FY22. As of May 2021, the members of the UFCW Local 400 ratified their reopener agreement for the 1.8% wage adjustment. AFSCME has now ratified their reopener agreement for a 3% wage adjustment. If Council approves this resolution, the Human Resources Department will apply a 3% adjustment to the wage scale grid for all employees, retroactive to July 1, 2021.

The City Manager also requests Council approval for a one-time lump sum payment of \$3,400 to designated essential employees hired before September 1, 2021, in recognition of work completed during the pandemic. The total expenditure for this payment is expected to be \$272,000, and will be paid via American Rescue Plan Act (ARPA) funds.

Regarding appropriate wage levels, the City undertakes a regional compensation survey every three years to ensure that the City pay scale is market competitive enabling attraction and retention of high-quality staff. That compensation study is currently underway. Any study findings necessitating an update of the pay structure would be applied in Fiscal Year 2023.

Council Priority

Fiscally Sustainable Community; Engaged, Responsive, Service-oriented Government.

Environmental Considerations

There are no environmental considerations related to this item.

Fiscal Considerations

Approval of the negotiated AFSCME Local 3399 reopener agreement for 3% and additional 1.2% to UFCW Local 400 and non-represented employees will cost \$352,500. Approval of a one-time lump sum bonus in recognition of work during the pandemic will cost \$272,000 for approximately 80 employees.

Racial Equity Considerations

The City workforce is made of a variety of cultures and races.

Attachments and Links

- Ordinance Amending the Annual Budget in Order to Provide Additional Compensation to City Employees in Recognition of Their Efforts During the Last Year
- Resolution 2022-1 Approval of Fiscal Year 2022 Wage Adjustment Memoranda of Agreement (Adopted January 12, 2022)

Introduced by: Councilmember Searcy

First Reading: January 12, 2022

Second Reading:

Effective Date:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE 2022-**

An Ordinance Amending the Annual Budget in Order to Provide Additional Compensation to City Employees in Recognition of Their Efforts During the Last Year.

WHEREAS, the City requires appropriate staffing in place to be effective in carrying out the City's priorities and services, and to attract, support, and retain a highly qualified workforce; and

WHEREAS, Council desires to recognize City employees for their efforts during the stressful moments and events associated with the uncertain environment that have existed during the last year by providing additional compensation; and

WHEREAS, on July 21, 2021, Council passed Resolutions 2021-24 and 2021-25 providing for a wage adjustment retroactive to July 1, 2021, in the amount of one and eight-tenths percent (1.8%) for all City of Takoma Park employees not affiliated with the American Federation of State, County, and Municipal Employees Local 3399; and

WHEREAS, on December 1, 2021, Council passed Ordinance No. 2021-52 providing for a two thousand five hundred (\$2,500) bonus to all City employees to be paid prior to the end of 2021, and

WHEREAS, pursuant to the City's collective bargaining agreements, negotiations led to memorialized understandings regarding Resolution No. 2021-24, Resolution No. 2021-25, Ordinance No. 2021-52, and the present Ordinance; and

WHEREAS, pursuant to Section 309 and Article VIII of the City Charter, the Council may amend the City's annual budget by Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK MARYLAND, THAT:

Section 1. The Council confirms the approval and appropriation of the expenditure of one hundred three thousand five hundred dollars and zero cents (\$103,500.00) representing the one and eight-tenths percent (1.8%) wage scale grid increase approved in Resolution Nos. 2021-24 and 2021-25 which are both retroactive to July 1, 2021. The adjustment applies to all City of Takoma Park employees not

affiliated with the American Federation of State, County, and Municipal Employees Local 3399, is less deductions required by law, and is added to employees' base pay.

Section 2. The Council approves and appropriates the expenditure of seventy-nine thousand five hundred dollars and zero cents (\$79,500.00) representing a one and two-tenths percent (1.2%) wage scale grid increase retroactive to July 1, 2021. The adjustment shall apply to all City of Takoma Park employees, not affiliated with the American Federation of State, County, and Municipal Employees Local 3399. The wage adjustment shall be less deductions required by law and shall be added to employees' base pay.

Section 3. The Council approves and appropriates the expenditure of one hundred sixty-nine thousand five hundred dollars and zero cents (\$169,500.00) representing a three percent (3.0%) wage scale grid increase retroactive to July 1, 2021. The adjustment only applies to City of Takoma Park employees affiliated with the American Federation of State, County, and Municipal Employees Local 3399, is less deductions required by law, and is added to employees' base pay.

Section 4. The Council approves and appropriates the expenditure of two hundred seventy-two thousand dollars and zero cents (\$272,000.00) for a one-time lump sum payment in the amount of three thousand four hundred dollars and zero cents (\$3,400.00) to be made to eligible City of Takoma Park employees. To be eligible for the one-time lump sum payment, the employee must meet the criteria to be considered an essential worker under the American Rescue Plan Act, must have been hired before September 1, 2021, and still employed by the City as of December 10, 2021. Unless otherwise agreed to by the City pursuant to collective bargaining, eligibility determinations are made at the sole discretion of the City. The one-time lump sum payment shall be less deductions required by law and shall not be added to any employee's base pay.

Section 5. The City Manager is authorized and directed to transfer three hundred fifty-two thousand dollars and zero cents (\$352,000.00) from the Unassigned Fund balance to the City's General Fund for the purposes stated in Sections 1, 2, and 3 of this Ordinance.

Section 6. The City Manager is authorized and directed to transfer two hundred seventy-two thousand dollars and zero cents (\$272,000.00) from American Rescue Plan Act funds to the City's General Fund for the purposes stated in Section 4 of this Ordinance.

Section 7. The City Manager is authorized and directed to take all reasonable and lawful actions to implement this Ordinance.

Section 8. This Ordinance shall become effective upon the expiration of twenty (20) calendar days following its approval by the Council.

THIS ORDINANCE IS ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THIS NINETEENTH DAY OF JANUARY, 2022, BY ROLL-CALL VOTE AS FOLLOWS:

AYE:

NAY:

ABSENT:

ABSTAIN:

Introduced by: Councilmember Searcy

**CITY OF TAKOMA PARK, MARYLAND
RESOLUTION No. 2022-01**

**APPROVAL OF FISCAL YEAR 2022 WAGE ADJUSTMENT
MEMORANDA OF AGREEMENT**

WHEREAS, on December 14, 2021, the City of Takoma Park and the American Federation of State, County, and Municipal Employees, Local 3399 entered into a Memorandum of Agreement regarding wage adjustments, a copy of which is attached hereto as Exhibit 1; and

WHEREAS, on December 15, 2021, the City of Takoma Park and the United Food and Commercial Workers Union, Local 400 entered into a Memorandum of Agreement regarding wage adjustments, a copy of which is attached hereto as Exhibit 2; and

WHEREAS, the memoranda of agreement were negotiated and entered into in accordance with the collective bargaining agreement with each union; and

WHEREAS, the membership of each union ratified the respective Memorandum of Agreement, if so required by the union's foundational documents; and

WHEREAS, each Memorandum of Agreement provides for a wage scale grid adjustment, a one-time lump sum payment, and a one-time lump sum American Rescue Plan Act Bonus as set forth in further detail contained therein. *See Exhibits 1 & 2.*

NOW, THEREFORE, BE IT RESOLVED that pursuant to the City of Takoma Park Charter and the City of Takoma Park Code, including City of Takoma Park Code, section 4.08.060(G), the City of Takoma Park Council approves the December 14, 2021, Memorandum of Agreement between the City of Takoma Park and the American Federation of State, County, and Municipal Employees, Local 3399 (Ex. 1); and

NOW, THEREFORE, BE IT RESOLVED that pursuant to the City of Takoma Park Charter and the City of Takoma Park Code, including City of Takoma Park Code, section 4.08.060(G), the City of Takoma Park Council approves the December 15, 2021, Memorandum of Agreement between the City of Takoma Park and the United Food and Commercial Workers Union, Local 400 (Ex. 2).

Adopted this 12th day of January, 2021.

ATTEST:



Jessie Carpenter, CMC
City Clerk

**THE CITY OF TAKOMA PARK
and
THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL
EMPLOYEES, LOCAL 3399**

MEMORANDUM OF AGREEMENT

December 14, 2021

In the spirit of cooperation, and recognizing the mutual desire of the parties to come to agreement on the terms for wages for employees provided under the Collective Bargaining Agreement for Fiscal Year 2022, the Parties agree as follows:

Article 30:

The Employer and the Union agree that wage adjustments for Employees pursuant to this Article 30 during Fiscal Year 2022, shall be made as follows:

Fiscal Year 2022: On the first day of Fiscal Year 2022, the wage scale grid will be adjusted by 3.0%. Payment of the wage adjustment will be retroactive to July 1, 2021.

Other Matters Agreed to

One-time lump sum payment

The City will provide, in addition to the wage adjustments made pursuant to this MOA for Article 30, a one-time lump sum payment of \$2,500, less lawful deductions, by the end of the 2021 calendar year. This lump sum payment shall not be incorporated into the employee's base rate.

ARPA Bonus

The City will provide, in addition to the wage adjustments made pursuant to this MOA for Article 30, a one-time lump sum payment of \$3,400, less lawful deductions, to eligible employees in the AFSCME bargaining unit who were employed by the City as of December 10, 2021, and who were hired by the City before September 1, 2021. The list of eligible employees in the AFSCME bargaining unit consists of 28 City employees identified in correspondence between the City and the Union on December 10, 2021, which includes employees in building maintenance, equipment maintenance, right of way, sanitation, vegetative maintenance, urban forest, administration, and dispatch. This lump sum payment shall not be incorporated into the employee's base rate.

Withdrawal of Grievance

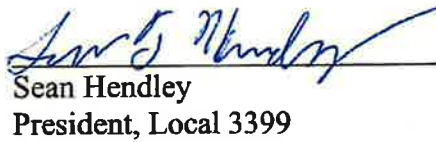
The Union agrees to fully withdraw, with prejudice, the class action grievance filed on September 16, 2021, which is currently scheduled for hearing on January 31, 2022 before Arbitrator Homer La Rue. The Union agrees to withdraw the matter no later than 5:00 p.m. on December 30, 2021, by providing written notification of withdrawal to Arbitrator La Rue and the City.

For The City of Takoma Park:

For Local 3399:



Jamal Fox
City Manager



Sean Hendley
President, Local 3399

12/24/2021

Date

12/14/2021

Date

**THE CITY OF TAKOMA PARK
and
THE UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 400**

MEMORANDUM OF AGREEMENT

December 15, 2021

In the spirit of cooperation, and recognizing the mutual desire of the parties to come to agreement on the terms for wages for Officers provided under the Collective Bargaining Agreement for Fiscal Year 2022, the Parties agree as follows:

On or about May 13, 2021, the City and the Union concluded reopener negotiations for Fiscal Year 2022 and agreed that: "On the first day of Fiscal Year 2022, the wage scale grid will be adjusted by 1.8%."

The City has offered and the Union has agreed that the wage adjustment will be modified from 1.8% to 3.0% such that on the first day of Fiscal Year 2022, the wage scale grid will be adjusted by 3.0%. Payment of the wage adjustment will be retroactive to July 1, 2021. For clarity, the total adjustment to the wage scale for Fiscal Year 2022 is 3.0%.

Other Matters Agreed to

One-time lump sum payment

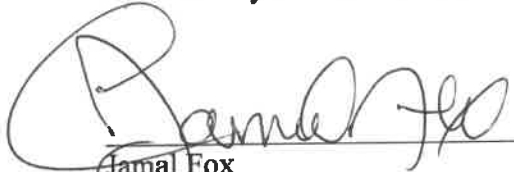
The City will provide, in addition to the wage adjustments made pursuant to this MOA, a one-time lump sum payment of \$2,500, less lawful deductions, by the end of the 2021 calendar year. This lump sum payment shall not be incorporated into the employee's base rate.

ARPA Bonus

The City will provide, in addition to the wage adjustments made pursuant to this MOA, a one-time lump sum payment of \$3,400, less lawful deductions, to eligible employees in the Local 400 bargaining unit who were employed by the City as of December 10, 2021, and who were hired by the City before September 1, 2021. The eligible employees are sworn officers in the Local 400 bargaining unit meeting the previously noted criteria. This lump sum payment shall not be incorporated into the employee's base rate.

The parties further acknowledge that this Agreement and the discussions preceding it do not waive the City's right to refrain from bargaining during the term of a collective bargaining agreement except during contractually agreed upon reopener negotiations.

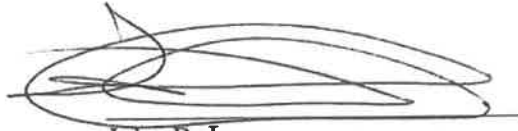
For The City of Takoma Park:



Jamal Fox
City Manager

12/17/2021
Date

For Local 400:



John R. Lee
~~Representative~~, UFCW, Local 400
DIRECTOR

12/17/21
Date