



Takoma Park City Council Meeting – September 21, 2022 Agenda Item 2

Voting Session

Second Reading Ordinance Amending the Annual Budget in Order to Provide Additional Wage Adjustment Compensation to City Employees (FY23 Budget Amendment No. 3)

Recommended Council Action

Approve the second reading ordinance.

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 FY23 budget adopted in May of 2022 included a total of 5% wage adjustment (comprised of ECI of 2.7% and 2.3% for an additional wage adjustment).

The City Manager requested Council approval for a collective bargaining reopener agreement with AFSCME Local 3399 for a 6.5% wage increase (inclusive of the 5% included in the FY23 budget adopted in May 2022). This reflects an annual wage increase but no step increases or additional steps for a "Distinguished" performance rating. The agreement was approved by the City Council on September 14. The Council also approved first reading of the ordinance amending the FY23 Budget to provide the wage increase.

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 completed and the requests are in alignment with the study findings.

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 wage reopener agreements for 6.5%, will cost \$83,842.52.

Racial Equity Considerations

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

Attachments and Links

Ordinance

Introduced by: Councilmember Dyballa

First Reading: September 14, 2022

Second Reading:

Effective Date:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE 2022-39

**AN ORDINANCE AMENDING THE ANNUAL BUDGET
IN ORDER TO PROVIDE WAGE ADJUSTMENT COMPENSATION TO CITY
EMPLOYEES (FY23 BUDGET AMENDMENT NO. 3)**

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, any wage increase for City of Takoma Park employees covered by the City's Collective Bargaining Agreements with the American Federation of State, County, and Municipal Employees, AFL-CIO, Council 67 and Local 3399 (hereinafter "AFSCME") and the United Food & Commercial Workers International Union, Local 400 (hereinafter "Local 400"), is contingent upon ratification by the respective unions; and

WHEREAS, Council appropriated five percent (5%) in the FY23 adopted budget for a wage increase for all City of Takoma Park employees which has been paid to all non-union employees since July 1, 2022, and all union employees were scheduled to receive the same five percent (5%) increase retroactive to July 1, 2022, once ratified by their respective unions; and

WHEREAS, Local 400 ratified a wage increase of 6.5% (5% + 1.5% = 6.5%); and

WHEREAS, Council approved a budget amendment in Ordinance No. 2022-34 appropriating funds sufficient to provide the additional 1.5% wage increase for non-union City of Takoma Park employees and for City of Takoma Park Local 400 employees with the wage increase being retroactive to July 1, 2022; and

WHEREAS, while Council was in its August recess, AFSCME ratified the wage increase of 6.5% (5% + 1.5% = 6.5%).

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

Section 1. The Council approves and appropriates the expenditure of eighty-three thousand eight hundred forty-two dollars and fifty-two cents (\$83,842.52) for a 1.5% wage increase, retroactive to July 1, 2022, for all City of Takoma Park employees who are AFSCME members.

Section 2. The City Manager is authorized and directed to transfer eighty-three thousand eight hundred forty-two dollars and fifty-two cents (\$83,842.52) from the Unassigned Fund balance to the City's General Fund for the purposes stated in Section 1 of this Ordinance.

Section 3. The City Manager is authorized and directed to take all reasonable and lawful actions to implement Sections 1 and 2 of this Ordinance.

Section 4. This Ordinance shall become effective upon adoption.

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

AYE:

NAY:

ABSENT:

ABSTAIN: