

JOE A. LOMBARDI
Director

November 15, 2017

MEMORANDUM TO: President Pro Tem Priscilla Tyson
Finance Committee Chair

FROM: Joe A. Lombardi *JAL*
Finance and Management Director

SUBJECT: Financial Impact of Tentative CWA Contract

The 2017-2020 collective bargaining agreement between the City of Columbus and the Communication Workers of America (CWA), which represents more than 1,400 full-time and part-time employees, has resulted in the proposal of a Fact Finder's Award. The predecessor collective bargaining agreement expired on April 24, 2017, and the successor agreement will be effective through April 23, 2020.

The stipulations contained in the agreement will have an aggregate cost of approximately \$17,519,791. The general fund portion of this cost is approximately 27% or \$4,766,882. The majority of the expense is attributed to an across-the-board wage increase of 3% in each year of the contract; however, this is partially offset by the complete phase out of the City's obligation associated with the employee share of pension contributions in 2018. There are additional savings related to healthcare plan design changes and increases in the employee's share of medical insurance premiums, as well as additional costs associated with an increase in service credit and a bereavement leave policy.

Across the board wage increases of 3% will be effective April 23, 2017 (retroactively), April 22, 2018, and April 21, 2019. The City's obligation associated with the employee share of pension contributions will decrease from 2% to 1% as soon as possible following implementation in the City's payroll system, and from 1% to 0%, effective April 1, 2018. Additionally, there will be a one-time increase of \$50 in each service credit tier, effective for the term of the contract. The employee portion of medical insurance premiums for current employees will increase from 13% to 14% on April 1, 2018, and then from 14% to 15% on April 1, 2019. All new employees hired on or after December 1, 2017 will contribute 20% of medical insurance premiums.

The attached worksheet illustrates the costs and savings associated with the various stipulations contained within the proposed collective bargaining agreement. If you have any questions specific to the financial aspects of this contract, please contact Josh Hopping (645-5695), Tanitia Brown (645-8639), or myself.

Attachment

C: Andrew J. Ginther, Mayor
Greg Davies, Chief of Staff
Ken Paul, Deputy Chief of Staff
Nichole Brandon, Human Resources Director
Brooke Carnevale, Deputy Director Human Resources
Jennifer Edwards, Chief Labor Negotiator
Christopher Moses, Labor Relations Manager
Members of City Council



All Funds Fiscal Impact of Fact Finders Award for the Successor CWA Contract 2017 - 2019					
ATB 3-3-3	2017	2018	2019	2020 Q1	TOTAL CONTRACT COST
Across the Board - Full-time	\$ 2,321,991	\$ 5,757,768	\$ 9,213,287	\$ 3,169,600	\$ 20,462,647
2% Pickup Reduction*	-	(1,238,775)	(1,449,384)	(449,997)	(3,138,157)
Net	\$ 2,321,991	\$ 4,518,992	\$ 7,763,903	\$ 2,719,603	\$ 17,324,490
\$50 Service Credit Increase	\$ 59,486	\$ 64,563	\$ 71,252	\$ -	\$ 195,301
Grand Total	\$ 2,381,478	\$ 4,583,555	\$ 7,835,155	\$ 2,719,603	\$ 17,519,791

General Fund Fiscal Impact of Fact Finders Award for the Successor CWA Contract 2017 - 2019					
ATB 3-3-3	2017	2018	2019	2020 Q1	TOTAL CONTRACT COST
Across the Board - Full-time	\$ 629,659	\$ 1,561,346	\$ 2,498,385	\$ 859,507	\$ 5,548,897
2% Pickup Reduction*	-	(332,745)	(389,316)	(120,873)	(842,934)
Net	\$ 629,659	\$ 1,228,601	\$ 2,109,069	\$ 738,634	\$ 4,705,963
\$50 Service Credit Increase	\$ 18,336	\$ 20,366	\$ 22,218	\$ -	\$ 60,920
Grand Total	\$ 647,995	\$ 1,248,968	\$ 2,131,286	\$ 738,634	\$ 4,766,882

*2% pension reduction savings reflect the following:

- 1% reduction effective 12/17/17, allowing 60 days implementation time following acceptance of the Fact-Finder's Award.
- 1% reduction effective 4/1/18.

