



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	31	Name:	Nick Wagner
Proposed No.:	2016-B0191 re: 2016-0494	Date:	October 25-27, 2016

SUBJECT

Proposed Ordinance 2016-0494 provides for a general wage and salary increase of 2.25% for non-represented county employees for 2017, and a revision of the county compensation schedules to reflect a 2.25% increase for 2017.

SUMMARY

Proposed Ordinance 2016-0494 (Att. 1) would adopt: (1) the 2017 King County compensation schedules, which reflect an increase of 2.25 percent over the amounts in the 2016 compensation schedules, and (2) a wage and salary increase of 2.25 percent for 2017 for those non-represented county employees whose compensation is not based on the compensation schedules and is not set by the state. This would enable the Finance and Business Operations Division to issue paychecks in the appropriate amounts beginning January 1, 2017.

The 2.25 percent increase for 2017 is the same as the increase negotiated with the King County Coalition of Unions in a tentative memorandum of agreement (“the Coalition MOA”) covering the employees whose bargaining units ratify the MOA. A proposed ordinance that would adopt the Coalition MOA is expected to be transmitted to the Council after the ratification process is complete (expected sometime during the week of Oct. 24).

The proposed adjustments for non-represented employees follow the County’s practice of granting non-represented employees a compensation adjustment equal to that granted to most represented employees.¹ In addition, having the same compensation adjustment for all employees helps maintain current pay differentials between non-represented managers and the represented employees they supervise.

¹ Adopting different compensation adjustments for represented and non-represented employees would be inconsistent with the county’s practice of maintaining pay equity between represented and non-represented employees and would greatly complicate the payroll process, as additional pay range and step schedules would need to be developed for each group.

The proposed adjustments are built into the Executive's proposed biennial budget for 2017.²

BACKGROUND

Approval of annual wage and salary schedules is required by section 3.12.130 of the King County Code.³ Most county job classifications are assigned pay ranges on the schedules that would be approved by Proposed Ordinance 2016-0494.⁴

ANALYSIS

The following schedules would be adopted by the proposed ordinance:

1. **10-Step Hourly Squared Schedule** (Attachment 1-A): This schedule applies to employees who are covered by the federal Fair Labor Standards Act (FLSA). These employees are eligible for overtime pay.
2. **10-Step Annual/FLSA Exempt Squared Schedule** (Attachment 1-B): This schedule applies to employees who are FLSA-exempt (i.e., they are not entitled to overtime pay).
3. **Standardized Hourly Schedule** (Attachment 1-C): This schedule applies to employees who are still being paid on the "old" County schedule and are covered by the FLSA.
4. **Standardized Annual/FLSA Exempt Schedule** (Attachment 1-D): This schedule applies to salaried employees who are still being paid on the "old" County schedule.

The amounts in each schedule are 2.25 percent higher than in the corresponding schedule for 2016.

FISCAL IMPACT

According to the Executive's Fiscal Note (Attachment 4), the proposed changes will add about \$5.4 million to the County's annual compensation costs in 2017. About 46 percent of

² Proposed Ordinance 2016-0494 does not include a wage and salary increase for 2018 or compensation schedules for 2018. That is because the Coalition MOA provides that the increase for 2018 will be either 1.75 percent or, for employees whose unions are able to reach at least a tentative agreement with the County on a Master Labor Agreement no later than January 1, 2018, 2.75 percent. An increase of 2.75 percent for 2018 is assumed in the Executive's proposed budget. If no agreement is reached, the affected budgets will be adjusted downward for 2018, according to executive staff.

³ Section 3.12.130 provides: "Salary ordinance. The executive shall prepare and submit a recommended salary ordinance to the council, which shall adopt a salary ordinance. The salary ordinance shall establish a standardized salary schedule for all classifications, excluding classifications for temporary employees other than provisional employees and probationary employees, part-time employees, administrative interns, elected officials and employees of the council."

⁴ Some bargaining units—namely, those that are interest-arbitration eligible—have remained on separate, negotiated ranges and are not affected by this ordinance. Overall, slightly more than one third of all full-time county employees are eligible for interest arbitration.

that amount will be paid from the General Fund. This impact reflects only the compensation increase for non-represented employees (and excludes elected officials and a small number of county employees whose compensation is set by state law). The fiscal impact of the increase in compensation for represented employees who are covered by the tentative Coalition MOA will be described in the fiscal note on the ordinance that would approve that MOA.

AMENDMENT

Amendment 1 (Att. 2) would make technical corrections and clarifications in the proposed ordinance.

INVITED:

Dwight Dively, Director, Office of Performance, Strategy, and Budget, King County
Executive Office

ATTACHMENTS:

1. Proposed Ordinance 2016-0494
 - A. 2017 King County 10 Step Hourly Squared Schedule
 - B. 2017 King County 10 Step Annual/FLSA Exempt Squared Schedule
 - C. 2017 King County Standardized Hourly Salary Schedule
 - D. 2017 King County Standardized Annual/FLSA Exempt Salary Schedule
2. Amendment 1
3. Transmittal letter
4. Fiscal note