

RECOMMENDATION: That City Council adopt, following a public hearing, the attached resolution which reflects Council’s commitment to fund the tentative collective bargaining agreement between the City and SSPBA, subject to accrual appropriation with the approval of the budget in each fiscal year it is in effect.

BACKGROUND: At a public hearing on April 17, 2021, the Alexandria City Council voted unanimously to adopt a public employee collective bargaining ordinance. The authority for Virginia municipalities to undertake collective bargaining was enabled by new state legislation that took effect May 1, 2021. Alexandria was the first locality in Virginia to authorize collective bargaining under this new state law. The ordinance authorizes exclusive representatives of bargaining units to negotiate, among other things, wages, leave, insurance, and retirement plans presently made available under city authority. However, the ordinance and state law make clear that any agreement reached by collective bargaining is subject to appropriation of funds by the City Council.

The ordinance defines five bargaining units. Section 2-5-72(a) creates the police employees’ bargaining unit which consists of “all sworn uniformed employees of the police department” except those excluded by ordinance.

On December 22, 2021, SSPBA filed a Petition for Certification. The Labor Relations Administrator (LRA) ordered an election from February 3, 2022 through February 22, 2022. On March 1, 2022, the LRA certified that the SSPBA “has been designated by the City employees in the bargaining unit described below, as their exclusive representative for the purpose of collective bargaining of terms and conditions of employment, with the City.”

DISCUSSION: The Parties reached tentative agreement on employee wages and benefits for a period of three years, beginning July 1, 2023, through June 30, 2026. Currently, the starting annual pay for a new officer is \$54,698. The tentative agreement increases that annual starting pay to \$61,504. In addition, the current top pay for a nonsupervisory officer is \$106,815 annually. Under the tentative agreement, the top annual pay for a nonsupervisory officer is \$110,104. The annual salaries for sergeants and lieutenants, *i.e.*, the other bargaining unit positions, are similarly increased to promote recruitment, increase employee retention, and avoid pay compression. The attached tentative agreement contains a copy of the negotiated pay scale for Fiscal Years 2024, 2025, and 2026. Furthermore, the Parties tentatively agreed that employees will receive holiday compensation for work on a designated holiday. The Parties agreed to maintain status quo on all other benefits. The additional agreements on wages and benefits are also memorialized in the attached tentative agreement.

On November 14, 2022, SSPBA informed the City that it ratified the tentative agreement in accordance with its governing procedures.

The City’s Office of Management and Budget prepared a fiscal impact study of this tentative agreement. A copy of the study is attached.

The ordinance provides that Council will specify “by resolution no later than the last day of November its good faith commitment to appropriate funding necessary for the city to meet obligations under the tentative agreement as set forth in the fiscal impact study . . . with the understanding that any such resolution remains subject to actual appropriation.” The attached resolution contains the requisite language regarding a good faith commitment to appropriate necessary funding.

Staff recommends Council adopt the resolution of its good faith commitment to appropriate funding for the negotiated wages and benefits under the tentative agreement, as set forth in the fiscal impact study. Staff notes that the resolution is still subject to Council’s actual appropriation of funding.

FISCAL IMPACT: The Police collective bargaining agreement contract for FY 2024 through FY 2026 is estimated to cost \$16.3 million over the three-year term, including \$4.7 million in FY 2024, \$5.2 million in FY 2025, and \$6.4 million in FY 2026 because of the changes in wages for 326 covered positions. These estimates represent the difference between salary and benefit costs under the new agreement and a baseline which assumes regular annual step increases would have otherwise occurred under the current pay scale and classification structure. The costs associated with the new agreement include increased salaries and the impact those salary increases would have on fringe benefits at current FY 2023 rates and overtime. Actual salary and benefit costs can be expected to vary due to employee turnover and changes in future benefit rates. The cost can be categorized as ongoing costs for permanent salary increases and one-time costs for the FY 2024 leveling differential. A breakout of those costs is presented in the table below.

Fiscal Impact	FY 2024	FY 2025	FY 2026	Total
Ongoing	4.15	5.24	6.38	15.77
One-time	0.52	-	-	0.52
Total	4.68	5.24	6.38	16.29

ATTACHMENTS:

1. Resolution
2. Tentative Collective Bargaining Agreement between the City and the Southern States Police Benevolent Association, Alexandria Chapter.

STAFF:

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