



# **COLLECTIVE BARGAINING AND INCREASED STAFFING COSTS**

Presentation to Finance & Economic Development Standing Committee

**Wednesday, April 16, 2025**

# BACKGROUND

 **2020**

In the 2020 session, the Virginia General Assembly voted to remove the ban on collective bargaining for local governments in Virginia, allowing localities to choose whether they would adopt collective bargaining.

 **18 July 2022**

On July 18, 2022, the City Council adopted collective bargaining.



# CITY OF RICHMOND BARGAINING UNITS

The collective bargaining ordinance named 5 collective bargaining units for the City:

1. Administrative and Technical
2. Fire and Emergency Services
3. Labor and Trades
4. Police
5. Professional



# COLLECTIVE BARGAINING NEGOTIATIONS

- In July 2024 (FY2025), the City entered 3 collective bargaining agreements with:
  1. Administrative and Technical: Represented by Service Employees International Union, Virginia 512
  2. Fire and Emergency Services: Represented by International Association Of Fire Fighters, Local 995
  3. Police: Represented by Richmond Coalition of Police
- In July 2025 (FY 2026), assuming approval, the City will enter the last 2 collective bargaining agreements with:
  4. Labor and Trades, represented by the Teamsters, Local 322
  5. Professional, represented by Service Employees International Union, Virginia 512



# COLLECTIVE BARGAINING POPULATION

Collective Bargaining Groups - Counts / Departments Impacted

Collective Bargaining Groups	Agreement Effective	Number of Employees	Number of Job Classes	Number of Departments
Administrative and Technical	July 2024	1,005	79	20
Police	July 2024	539	3	1
Fire and EMS	July 2024	505	7	2
Labor and Trade	July 2025	658	65	9
Professional	July 2025	268	36	19
<b>Total Counts / # Depts Impacted</b>	---	<b>2,975</b>	---	<b>23</b>
Not eligible for Collective Bargaining		965		
% active employees eligible		75.5%		



# COLLECTIVE BARGAINING POPULATION

## Collective Bargaining Groups - Wage Agreement

Collective Bargaining Groups	Number of Employees	Wage Agreement - a minimum of:
Administrative and Technical	1,005	3.25% in FY25, FY26 & FY27. Plus \$500,000 market adjustments in both FY26 and FY27 (\$1,000,000 over 2 year).
Labor and Trade	658	3.25% in FY25, FY26 & FY27. Plus \$300,000 market adjustments in both FY26 and FY27 (\$600,000 over 2 year).
Professional	268	3.25% in FY25, FY26 & FY27. Plus \$110,000 in FY26 & \$140,000 in FY27 (\$250,000 over 2 year).
Police *	539	103% of the <u>prior year's</u> average of nearby localities in FY26, 104% in FY27 (102% in FY25).
Fire and EMS *	505	103% of the <u>prior year's</u> average of nearby localities in FY26, 104% in FY27 (102% in FY25) Fire; 3.25% DEC Dispatch.
<b>Total Counts</b>	<b>2,975</b>	

* Example using multiplying factor:	<u>Step 1 Wage</u>
Locality 1 - July 2024 starting pay	\$61,797
Locality 2 - July 2024 starting pay	\$61,500
Locality 3 - July 2024 starting pay	<u>\$60,147</u>
Average of localities as of July 2024	\$61,148
Multiplying factor for FY26	<u>103%</u>
City's starting pay for July 2025/FY26	<u>\$62,983</u>



# COLLECTIVE BARGAINING COSTS

Collective Bargaining Groups	FY2025 Salary & Benefits	FY2026 Preliminary Salary & Benefits	FY2027 Preliminary Salary & Benefits
Police – Sworn Step Plan (FY25-FY27)	\$78,836,351	\$86,298,184	\$94,496,511
Fire and EMS – Sworn Step Plan (FY25-FY27)	\$61,417,268	\$71,708,163	\$78,520,439
Fire and EMS – DEC Dispatch (FY25-FY27)	\$6,147,439	\$6,347,231	\$6,553,516
Administrative and Technical (FY25-FY27)	\$76,739,404	\$79,733,434	\$82,824,771
Subtotal	\$223,140,462	\$244,087,013	\$262,395,237
Labor and Trade (FY26-FY28)	Not Eligible FY25	\$52,559,265	\$54,567,441
Professional (FY26-FY28)	Not Eligible FY25	\$31,671,697	\$32,811,027
Total		\$328,317,975	\$349,773,705

The above includes:

- (1) All active employees as of March 2025; this does not include funded vacant positions, i.e. full staffing of all the vacant positions would increase the cost.
- (2) All funding sources; this is not general fund only.



# SUPPORT STAFF AND OTHER COSTS

Managing Union  
Dues

Donated Union  
Leave Hours from  
the City

Contract Dispute  
Resolution Process

Station  
Equipment,  
Infrastructure, and  
Cleaning

Support Staff and Other Costs	FY2025 Salary & Benefits	FY2026 Preliminary Salary & Benefits	FY2027 Preliminary Salary & Benefits
HR Labor Relations Staffing (including pay, benefits, etc.)	\$362,100	\$374,000	\$386,000
Professional Fees to Outside Attorneys, Arbitrators, Mediators, etc.	\$500,000	\$500,000	\$500,000
Other Operating Costs	\$1,129,410	\$1,094,760	\$1,343,051
<b>Total</b>	<b>\$1,991,510</b>	<b>\$1,968,760</b>	<b>\$2,229,051</b>

Medical and  
Mental Health  
Services

Labor Committee  
Meetings

Clothing  
Allowance and  
Uniforms

Gear and Safety  
Equipment

Personal Vehicle  
Usage

Donated Union  
Member Training  
Leave





# COLLECTIVE BARGAINING NON-FINANCIAL IMPACT

- *The financial costs do not fully capture the hours dedicated by management to collective bargaining-related tasks. These efforts require time and resources beyond what is accounted for in the financials.*
- *The introduction of collective bargaining has reshaped processes and management workloads across the city, with a particularly significant impact on the Department of Human Resources.*
- *Because most positions dealing directly with unions are exempt (not eligible for overtime), most of this work is absorbed without incremental costs.*



