
Article 1 Fund Wayland Teachers Union Agreement

Proposed by: Petitioners

Estimated Value: \$1,189,124

REVISED FINANCE COMMITTEE COMMENTS: Based on the revised article language, it appears the Petitioners' intention is to seek Town Meeting's approval of a transfer of funds to cover the FY2024 cost of the recently settled WTA and WESA union contracts for the period July 1, 2023 to June 30, 2026.

It is important to note that Town Meeting is not being asked to approve the WTA and WESA contracts. However, if Town Meeting fails to approve the requested transfer of funds, the School Committee will have to pursue approval at the 2024 ATM.

Town Meeting is being asked to authorize the transfer of \$1,189,124 (\$994,664 – WTA and \$194,460 – WESA) from the FY2024 Unclassified: Reserve for Salary Settlement account, which has an available balance based on the previously approved FY2024 operating budget, to the Schools budget. This transfer will cover the FY2024 cost of the recently settled WTA and WESA union contracts which include agreed upon cost-of-living adjustments (COLA) for FY2024 and certain other amounts set forth in a Memorandum of Agreement (MOA), dated June 14, 2023 and August 24, 2023, respectively, between the Town and the WTA and WESA, respectively.

The WTA COLA for FY2024 is 2.5% (effective July 1, 2023) and an additional 1.5% (effective at the midpoint of the 2023/2024 work year). The WESA COLA for FY2024 is 2.5% (effective July 1, 2023) and an additional 1.5% (effective on the 94th school day). The WESA MOA also includes other changes to certain salary categories and steps, including a 1.5% market adjustment to Categories 4 and 5 only, with such adjustment made prior to the FY24 COLA. Copies of the MOAs are available online at https://www.wayland.k12.ma.us/school_committee.

The FY2024 Unclassified: Reserve for Salary Settlement account holds previously appropriated funds which were estimated to be needed to pay the FY2024 incremental costs associated with settling the Town's and Schools union contracts, as well as the estimated adjustments for non-union personnel (which typically track those agreed to in one or more of the settled union contracts). If the requested transfer is approved by Town Meeting, the current balance in the FY2024 Unclassified: Reserve for Salary Settlement account will be reduced from \$1,852,021 to \$662,897. Depending on the timing and terms of the remaining union contract settlements, an additional appropriation may be needed at the 2024 ATM to fund one or more of these agreements and the proposed adjustments for non-union personnel.

There is a cost of holding a Special Town Meeting (STM), e.g., printing and mailing the warrant, use of Town staff before, during and after the meeting which takes them away from other projects, etc. In the case of the 2023 STM, the Select Board voted not to use hand-held voting devices to minimize the cost of holding the meeting; but did so reluctantly knowing that prior Town Meetings have supported resolutions recommending the use of these devices at all Town Meetings.

The Select Board does not recommend approval. Vote: 0-5-0.

ARGUMENTS IN FAVOR: Compensation adjustments are critical to attract and retain staff in all Town and School departments. Wayland employees should earn market wages and keep pace with inflation, which has been significantly higher in the last 12 to 18 months than it has been over the prior decade.

Approving this transfer now will help mitigate the economic hardship for many of the individuals entitled to receive the compensation adjustments set forth in the WTA and WESA MOAs and improve the employees' morale.

It is standard practice to transfer funds from previously appropriated funds held in the Unclassified: Reserve for Salary Settlement account to cover the costs of settled union contracts and adjustments for non-union personnel assuming sufficient funds are available in such account.

ARGUMENTS OPPOSED: Opponents might say that salary growth, for all Town and School employees, should be lower based on the perceived need to better manage the budget, particularly given the potential for an operating override as early as FY2026; and, in any event, all proposed Town and School salary increases should be considered together at the 2024 ATM.

Approving this transfer now could impact (i) negotiations with the Town unions and remaining School unions which have not yet settled their contracts and (ii) the compensation adjustments proposed for non-union Town and School employees. It would also fail to provide Town Meeting attendees with the appropriate budgetary context normally available at the ATM.

Typically, the costs of union contracts settled after ATM are funded, on a retroactive basis, at the following ATM. Approving the transfer of funds at a STM called by petitioners solely for this purpose sets a costly precedent and may encourage additional petitioned STMs as additional union agreements are settled.

RECOMMENDATION: The Finance Committee defers its recommendation to STM. Vote: 4-2-0.