

DATE: June 8, 2016
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 16-28

Authorizing the Executive Director to Executive the Collective Bargaining Agreement Between the Portland Development Commission and American Federation of State, County and Municipal Employees, Council 75, Local 3769

BOARD ACTION REQUESTED

Adopt Resolution No. 7186.

ACTION DESCRIPTION

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize execution of a successor collective bargaining agreement (CBA) between PDC and American Federation of State, County and Municipal Employees, Council 75, Local 3769 (AFSCME). This CBA sets forth the terms of employment for PDC's represented employees and sets forth the wages and salaries for the period between July 1, 2016, and June 30, 2019. A summary of the primary economic changes to provisions of the CBA can be found in Attachment A.

BACKGROUND AND CONTEXT

On May 1, 2007, in a vote conducted by the State of Oregon Employment Relations Board, eligible PDC employees elected to be represented by AFSCME. A successor CBA was reached and approved by the PDC Board through Resolution No. 6899 on July 27, 2011, and then through Resolution No. 7021 on August 20, 2013. That CBA has been in place and will expire according to its terms on June 30, 2016. Pursuant to state and federal labor laws, PDC continued to use the CBA as the basis for its contractual relationship with its represented employees, until such time as a new CBA was reached. After five months of negotiations, PDC management and AFSCME have reached agreement on the terms of a proposed new CBA, which is being submitted to the PDC Board for approval. On May 24, 2016, represented employees voted to ratify the new CBA by a vote of 43-1.

The primary changes in the new CBA are:

1. Wages and Salaries (Article 35): The wages and salaries for the next three years will be as outlined in Attachment A to this Report.
2. Adoption of New Job Classifications and Pay Ranges (Article 35 and Schedule A). The job classifications were consolidated and simplified. Informed by a recent compensation study, all pay ranges were modified and increased to adjust to market.
3. Parental Leave (Article 36 (13)). The CBA adopts a new parental leave policy, consistent with the recently-adopted parental leave policy of the City of Portland.

4. Layoffs (Article 26). A new provision was added permitting (but not requiring) management to reopen bargaining on the subject of wages and benefits in the event it considers layoffs.
5. Telework/Job Share (Articles 30 and 33): New sections were added, permitting telework and job sharing, with management approval.

Minor or clarifying changes were also made to the following articles:

1. Interim Positions (Article 15)
2. Inclement Weather (Article 18)
3. Jury Duty (Article 21)
4. Education Fund (Article 29)
5. Job Postings (Article 32)
6. Vacation Leave (Article 38 (5) and (7))

COMMUNITY AND PUBLIC BENEFIT

Both AFSCME and management have reached mutual agreement on the terms of this CBA. PDC management believes that the CBA preserves management rights, sets forth fair and sound terms of employment, and provides for wages, salaries, and benefits that are both fair and financially prudent.

PUBLIC PARTICIPATION AND FEEDBACK

Represented employees of AFSCME voted to ratify the proposed contract on May 24, 2016. There was no other formal public participation.

BUDGET AND FINANCIAL INFORMATION

The wages, salaries, benefits, and other economic terms of this agreement are consistent with PDC's adopted budget for fiscal year (FY) 2016-17 and the anticipated revenues and budget for FY 2017-18. The salary and benefit provisions of the CBA, when combined with PDC's intent to implement similar salary and benefit packages for non-represented employees, are projected to be in line with PDC's five-year budget and forecast.

RISK ASSESSMENT

There are no risks associated with this proposed action, as economic impacts are already contemplated in PDC's budget.

ALTERNATIVE ACTIONS

The PDC Board could choose to not approve the CBA, or request modifications to the CBA, in which case PDC management and AFSCME would recommence negotiations.

ATTACHMENTS

- A. Summary of Primary Economic Changes to Provisions of the CBA

SUMMARY OF PRIMARY ECONOMIC CHANGES TO PROVISIONS OF THE CBA

“Schedule A” Pay Range Adjustments:

- Effective July 1, 2016, an employee’s scheduled salary will transfer to Schedule A from their scheduled salary in place on June 30, 2016, (former salary). An employee will be placed on the step of their job classification’s pay range on Schedule A that is nearest, but not below, their former salary.
- Cost of Living Adjustment effective July 1, 2017, and July 1, 2018.
- Step increases effective August 1, 2017, and August 1, 2018.
- Removed one-time lump sum payment equal to two percent of the employee’s annual salary if they received a better than “fully successful” on their annual performance review for the previous fiscal year.

Step Increases:

- 2016-2017: For any employee who receives less than a 3.5 percent increase in the July 1, 2016, transfer to Schedule A, that employee will receive a lump sum payment, which will be the difference between a 3.5 percent increase to their base salary as of June 30, 2016, and their base salary in place as of July 1, 2016.
- 2017-2018: A 3.5 percent step increase for those rated “fully successful” or better and who (i) are not already at the top of their pay range and (ii) have been in their current position for at least four months.
- 2018-2019: A 3.5 percent step increase for those rated “fully successful” or better and who (i) are not already at the top of their pay range and (ii) have been in their current position for at least four months.

Cost of Living Increases:

- 2016-2017: none
- 2017-2018: 1.5 percent
- 2018-2019: 1.5 percent