



PROSPER
PORTLAND
Building an Equitable Economy

DATE: May 13, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-21

Authorizing the Executive Director to Execute a Letter of Agreement Between Prosper Portland and American Federation of State, County, and Municipal Employees, Council 75, Local 3769 Temporarily Amending the Parties' Collective Bargaining Agreement

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7371

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to execute a Letter of Agreement between Prosper Portland and American Federation of State, County, and Municipal Employees, Council 75, Local 3769 (AFSCME) which was negotiated by authorized representatives of Prosper Portland and AFSCME, temporarily amending the parties' Collective Bargaining Agreement (CBA). Staff are proposing that the Prosper Portland Board authorize the Executive Director to sign the Letter Agreement, which temporarily amends the CBA by setting forth the terms for furlough days for represented personnel, temporary salary reductions for management, and reductions in administrative materials and services costs in response to the COVID-19 pandemic.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Executing the Letter of Agreement will deliver on Prosper Portland's Strategic Plan goal to operate an equitable, innovative, and financially sustainable agency while minimizing reductions in employment levels.

BACKGROUND AND CONTEXT

On May 1, 2007, in a vote conducted by the State of Oregon Employment Relations Board, eligible Prosper Portland employees elected to be represented by AFSCME. Successor CBAs were reached and approved by the Prosper Portland Board through Resolution No. 6899 on July 27, 2011; through Resolution No. 7021 on August 20, 2013; through Resolution No. 7186 on June 8, 2016; and through Resolution No. 7325 on July 10, 2019.

The COVID-19 pandemic will lead to financial impacts to Prosper Portland, in part caused by reductions in planned program income from Prosper Portland assets as well as through reductions in the amount of City of Portland General Fund revenue that is allocated on an annual basis, as well as other significant financial effects from the economic emergency. Due to the economic emergency, Prosper Portland management and AFSCME reopened negotiations through expedited bargaining pursuant to the Public Employment Collective Bargaining Act and Article 26 of the CBA.

After several weeks of negotiations, Prosper Portland management and AFSCME have reached the terms articulated in the Letter of Agreement. Represented employees voted and approved the Letter of Agreement that is now being submitted to the Prosper Portland Board for approval.

The primary terms of the Letter of Agreement are:

1. All full-time, represented, and non-represented non-management employees, earning \$75,001 or more as of June 30, 2020, will take twelve furlough days in FY 2020-21.
2. Management employees will take a one-time 7.5 percent reduction in pay for FY 2020-21.
3. Hiring of new employees for three of the six currently unfilled positions will be frozen for FY 2020-21; the other three positions may be filled.
4. Prosper Portland will reduce its administrative materials and services FY 2020-21 budget by \$150,000.
5. The Parties will create a COVID-19 fiscal impact work group made up of members of two representatives from each side of the bargaining team to assess and monitor the agency's financial situation and propose follow-up actions as appropriate.

EQUITY IMPACT

Executing the Letter of Agreement allows Prosper Portland to continue to offer its employees competitive salaries and benefits in recognition of the work they do to implement the agency's Strategic Plan and equity objectives, while minimizing impacts on staffing levels.

COMMUNITY PARTICIPATION AND FEEDBACK

There was no formal public participation related to this action.

BUDGET AND FINANCIAL INFORMATION

The wages, salaries, benefits, and other economic terms of this agreement are consistent with Prosper Portland's Proposed Budget for FY 2020-21 and will solve for part of the expected budgetary shortfall by \$1,200,000. The terms of the Letter of Agreement, when combined with Prosper Portland's intent to implement similar provisions for non-represented employees, are projected to be in line with the agency's five-year budget and forecast, recognizing that additional information and impacts will not be known until later in the fall of 2020 and beyond.

RISK ASSESSMENT

The Prosper Portland Board could choose to not approve the Letter of Agreement or request modifications, in which case Prosper Portland management and AFSCME would recommence negotiations.

ATTACHMENTS

None.