



PROSPER
PORTLAND
Building an Equitable Economy

DATE: August 28, 2024
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 24-42

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

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7574

This action by the Prosper Portland Board of Commissioners (Board) will authorize execution of a successor collective bargaining agreement (CBA) between Prosper Portland and American Federation of State, County, and Municipal Employees, Council 75, Local 3769 (AFSCME). This CBA sets forth the terms of employment for Prosper Portland's represented employees and sets forth the wages and salaries for the period between July 1, 2024, and June 30, 2027.

STRATEGIC ALIGNMENT AND OUTCOMES

Executing the CBA will deliver on Prosper Portland's goal to operate an equitable, innovative, and financially sustainable agency by both investing in and ensuring employee development that is consistent with the Financial Sustainability Plan.

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. The 2019 CBA was extended at various times, and recently expired on June 30, 2024. Pursuant to state and federal labor laws, Prosper Portland 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 seven months of negotiations, Prosper Portland management and AFSCME reached agreement on the terms of a proposed new CBA, which is being submitted to the Prosper Portland Board for approval. On August 5, 2024, represented employees voted to approve the new CBA.

The primary changes in the new CBA are:

1. **Labor Management Committee (Article 9):** This committee provides a forum to discuss workforce issues. Changes to the CBA provide that union representation will include the President or Vice President of the union and management representation will include a director and a Human Resources representative.
2. **Inclement Weather (Article 18):** Updated to reflect the ability of employees to work virtually during inclement weather.

3. **Professional Growth & Advancement; Education & Development Fund (Article 29):** Increased the amount of the Education & Development Fund annual cap from \$20,000 to \$35,000 with Prosper Portland contributing up to \$20,000 each year and broadened its allowable uses. New language encourages focus on professional growth and advancement during annual staff review process.
4. **Hours of Work; Overtime (Article 30):** Starting after Labor Day 2024, Tuesday and Wednesday will be required in-office days and staff will attend meetings with external parties in-person on other days. In February 2025, the requirement for in-office work is increased by four hours per week. Remote work is permitted for up to three weeks per calendar year.
5. **Wages/Salaries (Article 35):** Cost of living increases will be 2.5 percent each year of the agreement. Step increases remain at 3.5 percent. There will be a one-time two percent bonus in fall 2024 for staff who receive a successful performance review and are already at the top of their salary range.
6. **Equal Pay Act (Article 35):** Management has committed to revisiting implementation of Oregon’s Equal Pay Act and will consult with the Union in the development of its plan, to be commenced before August 1, 2025.
7. **Translation Pay (Article 35):** Employees who provide translation services will receive a salary increase of one percent over their base rate for the entire pay period in which they perform any translation work.
8. **Health & Safety Leave (Article 36):** Renamed sick leave, in recognition of the ability use this leave for purposes beyond illness, including isolation after exposure to diseases, racial trauma, and the inability to work remotely during inclement weather events. The accrual rate increased 4.25 hours per year and would be supplemented with an additional 40 hours any time the Governor of Oregon declares a pandemic or other emergency that affects Portland. The Parental Leave benefit was also modified to take into account the new Paid Leave Oregon law, by reducing the amount of paid leave Prosper Portland offers by the amount provided by the State. Prosper Portland also agreed to pay 70 percent of the State tax for this law (increased from 40 percent), cutting the amount paid by staff by half.
9. **Holidays (Article 37):** Added Juneteenth as a paid holiday. The office will be closed from December 25, 2024, to January 1, 2025, in the first year of the contract; thereafter, the office will not be closed but employees will receive an additional three floating personal days to use between September 1 and December 31.
10. **Benefits (Article 39):** Added a parking subsidy, in which Prosper Portland will pay 50 percent of the cost of daily parking in its building at 220 NW 2nd Avenue for up to six tickets each pay period per employee.

Minor or clarifying language changes were also made throughout the agreement.

EQUITY IMPACT

Executing the CBA allows Prosper Portland to continue to offer its employees competitive salaries and benefits in recognition of the work they do to implement Advance Portland and the agency’s equity objectives.

COMMUNITY PARTICIPATION AND FEEDBACK

Represented employees of AFSCME voted to ratify the proposed contract on August 5, 2024. There was no other formal public participation.

BUDGET AND FINANCIAL INFORMATION.

The wages, salaries, benefits, and other economic terms of this agreement are largely consistent but slightly higher than the amounts established in Prosper Portland’s adopted budget for fiscal year (FY) 2024-25 and forecasted budget for FY 2025-26 and FY 2026-27. The Adopted Budget and forecast included a two percent cost of living adjustment (COLA) and allowance for some one-time personnel expenditures in FY 2024-25 for a total of \$21,060,844 for 105 positions.

Over the three-year contract, the salary and benefit provisions of the CBA, when combined with Prosper Portland’s intent to implement similar salary and benefit packages for non-represented employees, are estimated to be \$528,000 over the budgeted amount. The estimated cost of the parking agreement is \$190,000 for the same period. The cumulative increased cost over the three-year contract of approximately \$718,000 will be funded from the remaining ‘contingency’ or funding cap previously established in the Financial Sustainability Plan from existing TIF district resources. Use of these resources, totaling approximately \$800,000, will therefore not be available to help offset reductions in other operating resources in the budget and forecast over the next three years unless new, additional resources are identified for operations above those already identified in the Financial Sustainability Plan.

For the remainder of FY 2024-25, the salary and benefit provisions are projected to total \$21,125,909, representing a net increase of \$65,065 from the Adopted Budget. The parking provisions of the CBA are estimated to cost \$46,800 for FY 2024-25 and was not included in the Adopted Budget. Staff will request Prosper Portland Board approval a proposed FY 2024-25 budget revision in November or December 2024 and identify any long-term staffing implications.

RISK ASSESSMENT

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

ATTACHMENTS

None.