

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Yvonne L. Deckard (JG)		2. Telephone No. (503) 823-4170		3. Bureau/Office/Dept. Bureau of Human Resources	
4a. To be filed (date) January 26, 2011		4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: January 19, 2011	

1) Legislation Title:

* Ratify a successor Labor Agreement between the City of Portland and Portland Police Association relating to terms and conditions of employment of represented employees in the Portland Police Association bargaining unit. (Ordinance)

2) Purpose of the Proposed Legislation:

Authorizes the Mayor and Auditor to execute a Labor Agreement between the City and Portland Police Association relating to terms and conditions of employment of represented employees in the Portland Police Association bargaining unit.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

No.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

The following estimates of costs for the Portland Police Association (PPA) contract are based on 914 FTE and the adjustment to their base rate of pay for PPA members. These costs do not include potential overtime costs PPA members may earn. The PPA contract costs estimates are as follows:

FY 10-11	\$156,677
FY 11-12	\$2,209,908
FY 12-13	\$2,649,167
Total	\$5,015,752

It should be noted that BHR considers overtime an operational issue. With contract changes to Article 43.2.2 (comp-time), Police Bureau management (PPB) now has the ability to reduce overtime cost. PPB has reported that officers' use of comp-time substantially increases overtime costs. For example, when an officer is awarded comp-time but must be backfilled with an officer on overtime the cost of the absence compounds exponentially. BHR has negotiated provisions allowing PPB latitude for denying or canceling comp-time when it results in a need to backfill. This should result in a dramatic reduction of overtime costs.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No.

6) Will positions be created or eliminated in future years as a result of this legislation?

No.

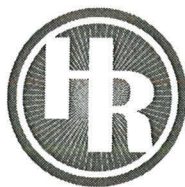
Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) **Change in Appropriations** (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Yvonne L. Deckard 

APPROPRIATION UNIT HEAD (Typed name and signature)



City of Portland
Bureau of
Human Resources
Knowledgeable | Helpful | Responsive

Yvonne L. Deckard, Director
1120 SW 5th Ave., Rm. 404
Portland, Oregon 97204-1912
(503) 823-3572
Fax (503) 823-4156

Office of Management and Finance

Kenneth L. Rust, Chief Administrative Officer

DATE: January 6, 2011

TO: Mayor Sam Adams

FROM: Yvonne L. Deckard, Human Resources Director

FOR MAYOR'S OFFICE USE ONLY
Reviewed by Bureau Liaison _____

RE: ORDINANCE TITLE : * Ratify a successor Labor Agreement between the City of Portland and Portland Police Association relating to terms and conditions of employment of represented employees in the Portland Police Association bargaining unit. (Ordinance)

- 1. **INTENDED THURSDAY FILING DATE:** January 26, 2011
- 2. **REQUESTED COUNCIL AGENDA DATE:** February 2, 2011, 10:00 AM Time Certain
- 3. **CONTACT NAME & NUMBER:** Steve E. Herron, 503-823-3524
- 4. **PLACE ON:** CONSENT X REGULAR
- 5. **BUDGET IMPACT STATEMENT ATTACHED:** X Y N N/A
- 6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No X N/A

7. BACKGROUND/ANALYSIS

Pursuant to its obligations under ORS 243.650 et. seq. the City entered into labor contract negotiations with Portland Police Association (PPA). If ratified, this Tentative Agreement will establish the terms and conditions for a labor Agreement for the period July 1, 2010 through June 30, 2013.

8. FINANCIAL IMPACT

The following estimates of costs for the PPA contract are based on 914 FTE and the adjustment to their base rate of pay for PPA members. These costs do not include potential overtime costs PPA members may earn. The PPA contract costs estimates are as follows:

FY 10-11	\$156,677
FY 11-12	\$2,209,908
<u>FY 12-13</u>	<u>\$2,649,167</u>
Total	\$5,015,752

It should be noted that BHR considers overtime an operational issue. With contract changes to Article 43.2.2 (comp-time) Police Bureau management (PPB) now has the ability to reduce overtime cost. PPB has reported that officers' use of comp-time substantially increases overtime costs. For example, when an officer is awarded comp-time but must be backfilled with an officer on overtime the cost of the absence compounds exponentially. BHR has negotiated provisions allowing PPB latitude for denying or canceling comp-time when it results in a need to backfill. This should result in a dramatic reduction of overtime costs.

9. RECOMMENDATION/ACTION REQUESTED

I recommend that the Mayor and City Council ratify this Letter of Agreement.

Sam Adams, Mayor

We are an equal opportunity employer

Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6868.

