

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Anna Kanwit:PW:ss	2. Telephone No. (503) 823-3518	3. Bureau/Office/Dept. OMF/Bureau of Human Resources
4a. To be filed (date): October 4, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	4. Date Submitted to Commissioner's office and FPD Budget Analyst: October 3, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed	6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

Ratify a Successor Collective Bargaining Agreement between the City on behalf of Portland Fire & Rescue and the Portland Fire Fighters Association relating to the terms and conditions of employment of represented employees in the Portland Fire Fighters Association bargaining unit for 2012-2016 (Ordinance)

**2) Purpose of the Proposed Legislation:**

The purpose of this legislation is to ratify a successor collective bargaining agreement between the City and the Portland Fire Fighters Association (PFFA) for the period of July 1, 2012 to June 30, 2016 (the 2012-2016 CBA). The Tentative Agreement (Agreement) negotiated between the City and the PFFA is attached hereto as Exhibit A and incorporated herein by this reference. If ratified, this Agreement will establish the terms and conditions of the 2012-2016 CBA. It is expected that this ordinance will be placed on City Council's regular agenda for October 10, 2012.

At all times during the negotiations of the Agreement, the parties committed themselves to transparent information sharing and substantive and respectful dialogue. As of the date this ordinance is submitted, the PFFA has not yet ratified this Agreement. However, the PFFA will complete its ratification process before City Council's review and consideration of the attached Agreement.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional     | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                 | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                      |                                    |                                    |                                |
| <input type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No.

**5) Expense:** What are the costs to the City related to 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. If there is a project estimate, please identify the level of confidence.)*

The cost of the four-year PFFA contract over the Wage and Compensation set aside for cost of living adjustments and insurance premium increases are a net savings of \$10,764 in the first year due to the elimination of compensatory time off in lieu of pay for overtime work, and increases of \$441,338, \$602,083 and \$618,177 in the second, third and fourth years, respectively. The overall net increases to the City above the Wage and Compensation set asides is \$1,650,834 over the four years of the contact.

**6) Staffing Requirements:**

- 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.

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

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- YES: Please proceed to Question #9.  
 NO: Please, explain why below; and proceed to Question #10.

This action is largely internal to City government processes.

**9) If “YES,” please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**c) How did public involvement shape the outcome of this Council item?**

**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

No. This action is largely internal to City government processes.



Anna Kanwit, BUREAU DIRECTOR



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

185683

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

Office of Management and Finance

Jack D. Graham, Chief Administrative Officer

October 3, 2012

**FOR MAYOR'S OFFICE USE ONLY**

**TO:** Mayor Sam Adams

Reviewed by Bureau Liaison \_\_\_\_\_

**FROM:** Anna Kanwit, Human Resources Director

**RE: ORDINANCE TITLE** Ratify a Successor Collective Bargaining Agreement between the City on behalf of Portland Fire & Rescue and the Portland Fire Fighters Association relating to the terms and conditions of employment of represented employees in the Portland Fire Fighters Association bargaining unit for 2012-2016 (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** October 4, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** October 10, 2012
3. **CONTACT NAME & NUMBER:** Patrick Ward, ext. 3-3518
4. **PLACE ON:**  CONSENT  REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:**  Yes  No  N/A
6. **ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:**  Yes  No  N/A (City Attorney's signature on backing sheet)

**7. BACKGROUND/ANALYSIS**

The purpose of this legislation is to ratify a successor collective bargaining agreement between the City and the Portland Fire Fighters Association (PFFA) for the period of July 1, 2012 to June 30, 2016 (the 2012-2016 CBA). The Tentative Agreement (Agreement) negotiated between the City and the PFFA is attached hereto as Exhibit A and incorporated herein by this reference. If ratified, this Agreement will establish the terms and conditions of the 2012-2016 CBA. It is expected that this ordinance will be placed on City Council's regular agenda for October 10, 2012.

At all times during the negotiations of the Agreement, the parties committed themselves to transparent information sharing and substantive and respectful dialogue. As of the date this ordinance is submitted, the PFFA has not yet ratified this Agreement. However, the PFFA will complete its ratification process before City Council's review and consideration of the attached 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.



Highlights of the Agreement include the following:

- **Wages:** The Agreement continues to apply the principles of total compensation as the basis for bargaining all monetary subjects and ties general compensation to the Consumer Price Index (CPI). General wage increases will continue to be tied to the Portland CPI-W. Upon ratification, PFFA bargaining unit members will receive a wage increase of 3.3% retroactive to July 1, 2012. A similar wage increase, also based on the Portland CPI-W formula, provides for a minimum increase of 1% with a maximum increase of 5% adjusted on July 1 of each year of the Agreement.
- **Benefits:** The Agreement continues the current health insurance premium share at 95% / 5% for the term of the Agreement.
- **Overtime:** Effective upon ratification, employees in assignments that require replacement when absent will no longer be eligible to elect to accrue compensatory time; rather, such employees shall be paid at the applicable overtime rate. Employees in such assignments who have accrued compensatory time may continue to use their accrued compensatory time until June 30, 2016. Effective on June 30, 2016, employees in such assignments shall be paid in cash for any remaining compensatory time. This provision will save the City substantial costs in its overtime budget.
- **Education/Union Release Time Increases:** Effective upon ratification, the Agreement provides for increases in education benefits and Union Release Time. The increases will not impact PF&R's current service level budget.
- **Premiums:** General wage increase premiums for certain specifically identified classifications have been improved and equalized. The wage increases will be phased in at Year 2 of the Agreement to facilitate planning and mitigate the cost impact to PF&R.
- **Work Week Reduction/Vacation Payback:** In the 2010-2012 CBA, the average work week for firefighters was reduced to better reflect comparable jurisdictions of similar size. In the Agreement, the requirement that members pay back 12-hours of vacation that was part of the 2010-2012 CBA will be eliminated, effective January 1, 2014. This will facilitate planning and mitigate the cost impact to PF&R. Additionally, the number of payroll banked hours will be reduced, effective in Years 2 and 3, to reflect the current work week.

## **8. FINANCIAL IMPACT**

The cost of the four-year PFFA contract over the Wage and Compensation set aside for cost of living adjustments and insurance premium increases are a net savings of \$10,764 in the first year due to the elimination of compensatory time off in lieu of pay for overtime work, and increases of \$441,338, \$602,083 and \$618,177 in the second, third and fourth years, respectively. The overall net increases to the City above the Wage and Compensation set asides is \$1,650,834 over the four years of the contact.

## **9. RECOMMENDATION/ACTION REQUESTED**

I recommend that the Mayor and City Council approve this ordinance.