

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:JMG:ss		2. Telephone No. (503) 823-3482	3. Bureau/Office/Dept. OMF/Bureau of Human Resources
4a. To be filed (date): April 22, 2014	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: April 24, 2014
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 and the signatory Unions within the District Council of Trade Unions for the terms and conditions of employment for 2013-2017 (Ordinance)

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

The purpose of this ordinance is to ratify a Tentative Agreement, Exhibit A, between the City and the Signatory Unions of the DCTU that outlines the terms and conditions of employment for bargaining unit employees of the Signatory Unions of the DCTU for the period of July 1, 2013 to June 30, 2017. A paper copy of Exhibit A is attached to the original of this ordinance. Exhibit A is also temporarily viewable at the following link: <https://www.portlandoregon.gov/bhr/27840>

As of the date this ordinance is submitted, it is expected that the Signatory Unions of the DCTU will have ratified the Agreement. If ratified by City Council, the Agreement will establish the terms and conditions of the 2013-2017 successor CBA for employees represented by the Signatory Unions of the DCTU.

**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)?**

- City-wide/Regional       Northeast       Northwest       North  
 Central Northeast       Southeast       Southwest       East  
 Central City  
 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 first year (FY 2013-14) of the 2013-2017 successor CBA is expected to generate a savings of \$38,000 for the General Fund. For the remaining three years (FY 2014-15 through FY 2016-17) of the 2013-2017 CBA the fiscal impact on the General Fund is estimated to range between \$9,000 and \$24,000. Fiscal impact on Non-General fund bureaus is likely between \$64,000 and \$81,000 per year for FY 2014-15 through 2016-17, with expected savings of approximately \$109,000 in FY 2013-14. The overall four-year contract is estimated to cost one-third of one-thousandth, for a total sum of \$131,000.

**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



Office of Management and Finance

Fred Miller, Interim Chief Administrative Officer

April 22, 2014

**FOR MAYOR'S OFFICE USE ONLY**

**TO:** Mayor Charlie Hales

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

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

**RE: ORDINANCE TITLE** \*Ratify a successor collective bargaining agreement between the City and the signatory Unions within the District Council of Trade Unions for the terms and conditions of employment for 2013-2017 (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** April 24, 2014
2. **REQUESTED COUNCIL AGENDA DATE:** April 30, 2014 at 3:00 p.m. (Time Certain)
3. **CONTACT NAME & NUMBER:** Julia M. Getchell, ext. 3-3482
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 Signature on backing sheet

**7. BACKGROUND/ANALYSIS**

The purpose of this ordinance is to ratify a Tentative Agreement, Exhibit A, between the City and the Signatory Unions of the DCTU that outlines the terms and conditions of employment for bargaining unit employees of the Signatory Unions of the DCTU for the period of July 1, 2013 to June 30, 2017. A paper copy of Exhibit A is attached to the original of this ordinance. Exhibit A is also temporarily viewable at the following link: <https://www.portlandoregon.gov/bhr/27840>

As of the date this ordinance is submitted, it is expected that the Signatory Unions of the DCTU will have ratified the Agreement. If ratified by City Council, the Agreement will establish the terms and conditions of the 2013-2017 successor CBA for employees represented by the Signatory Unions of the DCTU.

Highlights of the 2013-2017 successor CBA include:

- **Wages:** The 2013-2017 successor CBA 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 of the 2013-2017 successor CBA, bargaining unit members of the Signatory Unions of the DCTU will receive a salary increase of fifty percent (.9%) of the annual increase in the Portland CPI-W for the first year, retroactive to August 29, 2013. Salary rates FY Two through the final year of the 2013-2017 successor CBA are to be increased by 100% of the annual increase in the Portland CPI-W, adjusted on July 1 each year. However, in no event shall the salary increase FY Two through the final year of the 2013-2017 successor CBA be less than one percent or greater than five percent.

- **Health Insurance Benefits:** The 2013-2017 successor CBA will continue the current health insurance premium share at 95 percent / 5 percent for the life of the 2013-2017 successor CBA.
- **Duration of the Agreement:** The Agreement meets the City's bargaining interests by securing a four-year successor labor agreement and agreeing to wage increases and other terms and conditions of employment.
- **Article 6, Job Security and Outside Contracting:** New language for Article 6 Job Security and Outside Contracting is added affirming that the City does not intend to privatize its work force; Article 6 also continues the City's assurance that no employee shall lose his or her employment as a direct result of contracting out work that is performed by bargaining unit members. The new language also clarifies how bureaus calculate cost when contracting out is solely for cost savings, and provides exceptions for donated services or services provided under partnership operating agreements. Further, a simpler and more efficient notice process is added that allows the Unions to receive notice of all contracts that are solicited through the procurement process. The new notice provisions alleviate bureaus from having to determine whether the work to be performed is bargaining unit work.
- **Overtime and Compensatory Time Changes:** Article 9 Overtime is modified by eliminating the exception to receiving overtime pay when an employee takes a full shift of non-protected sick leave and works noticed overtime until the employee has worked 40 hours in a workweek. Article 9 also eliminates the option of accruing 80 rolling hours of compensatory time for most employees effective January 1, 2015. Effective January 1, 2015, most employees will be restricted to accruing a maximum of 120 hours of compensatory time per calendar year; accrued compensatory time remaining at the end of a calendar year is applied to an employee's compensatory time accruals for the following calendar year. Employees who are assigned standby time under a Letter of Agreement will continue the option of accruing 80 rolling hours of compensatory time.
- **Working out of Classification:** Article 11 Working out of Classification adds language that allows bureaus to require the least senior qualified employee or a qualified temporary employee to be upgraded if there are no willing, available and qualified employees available. Article 11 and a corresponding letter of agreement implements a new Career Development Program Committee that will create a Career Development Program for employees to participate in to be eligible for upgrades. This was part of the City's Equity package in negotiations.
- **Personal Holidays:** Article 15 Holidays clarifies that after six months of service, regular full-time employees are entitled to personal holiday time based on three times their normal shift length per calendar year. An eligible employee's normal shift length is determined by taking a snapshot of the employee's workweek schedule on the first day of the first pay period in January.
- **Clothing:** Article 30 Clothing increases the clothing reimbursement amount from \$135 to \$150 per year, beginning July 1, 2014. Article 30 also adds hearing protection to the list of items eligible for reimbursement and clarifies that reimbursement is for items "intended to protect employees from potential hazards and/or inclement weather encountered in the performance of their assigned duties."
- **Criminal History and/or Background Checks:** New letters of agreement are added to establish procedures to follow when the City must require employees to undergo a criminal history check and/or background check for business necessity. The letters of agreement require the City to inform employees of the reason the criminal history check and/or background check is required.

**8. FINANCIAL IMPACT**

The first year (FY 2013-14) of the 2013-2017 successor CBA is expected to generate a savings of \$38,000 for the General Fund. For the remaining three years (FY 2014-15 through FY 2016-17) of the 2013-2017 CBA the fiscal impact on the General Fund is estimated to range between \$9,000 and \$24,000. Fiscal impact on Non-General fund bureaus is likely between \$64,000 and \$81,000 per year for FY 2014-15 through 2016-17, with expected savings of approximately \$109,000 in FY 2013-14. The overall four-year contract is estimated to cost one-third of one-thousandth, for a total sum of \$131,000.

**9. RECOMMENDATION/ACTION REQUESTED**

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