

IMPACT STATEMENT

Legislation title: *Ratify a successor collective bargaining agreement between the City and Oregon AFSCME Council 75 Local 189-3 relating to the terms and conditions of employment of represented employees at the Portland Housing Bureau for 2015-2019 (Ordinance)

Contact name: Shianne Scott, Senior Labor Relations Analyst

Contact phone: 3-3510

Presenter name: Anna Kanwit, Human Resources Director

Purpose of proposed legislation and background information:

The purpose of this ordinance is to ratify a successor collective bargaining agreement between the City on behalf of the Portland Housing Bureau (PHB) and Oregon AFSCME Council 75 Local 189-3 (the Union) for the period of July 1, 2015 to June 30, 2019 (the 2015-2019 successor CBA). The Tentative Agreement (Agreement), Exhibit A, is attached hereto and incorporated herein by this reference.

As of the date this ordinance is submitted, the Union is expected to ratify the Agreement by no later than July 9, 2015. If ratified by City Council, the Agreement will establish the terms and conditions of the 2015-2019 successor CBA for bargaining unit employees at the PHB.

Financial and budgetary impacts:

Upon ratification by City Council, salary rates for bargaining unit employees at the PHB are to be increased by 2.1 percent, which is 100 percent of the annual increase in the Portland CPI-W. The new salary rates will be retroactive to July 1, 2015 if the Union ratifies the Agreement by no later than July 9, 2015.

The fiscal impact of the 2.1 percent COLA retroactive to July 1, 2015 for PHB employees is estimated at \$68,000 for the General Fund. Salary rates for 2016-2017, 2017-2018 and 2018-2019 are to be increased by 100 percent of the annual increase in the Portland CPI-W. However, in no event shall the salary increase for 2016-2017, 2017-2018 and 2018-2019 be less than one percent or greater than five percent.

The cost of the COLA rate for July 2016 going forward would depend on increases in the Portland CPI-W, with current analysis based on inflation forecast provided by the City Economist. By applying these forecast inflation rates through FY 2018-19, the average annual increase in COLA is estimated at \$96,200 for the General Fund. The costs associated with COLA increases are already included in the City's financial forecast. As a result, the costs identified here do not reflect a change from assumed future expenses.

While there may be cost savings to the City associated with the High Deductible Health Plan (HDHP) effective beginning Benefit Plan Year July 1, 2017 and the Self-Insured Plan or the Kaiser Plan effective beginning Benefit Plan Year July 1, 2018, the cost savings for this small group of bargaining unit employees at the PHB is not quantifiable until final recommendations through the Labor Management Benefits Committee are made to Council. That process will not

be complete by ratification of the Agreement. The City expects overall costs to be neutral for this bargaining unit.

Community impacts and community involvement:

There was no community involvement. This action is largely internal to City government processes.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

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

Amendment

*810 Ratify a successor collective bargaining agreement between the City and Oregon AFSCME Council 75 Local 189-3 relating to the terms and conditions of employment of represented employees at the Portland Housing Bureau for 2015-2019 (Ordinance)

Amend directive d. to read as follows:

The City is authorized to pay for any City cost increases associated with the 2015-2019 successor CBA for fiscal year 2015-16 through fiscal year 2018-19 from the General Fund, and other City funds as may be available.

Passed by the Council:

Mayor Charlie Hales
Prepared by: Anna Kanwit:SS
Date Prepared: June 30, 2015

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy