

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** July 27, 2011

**TO:** Board of Commissioners

**FROM:** Patrick Quinton, Executive Director

**SUBJECT:** Report Number 11-61  
Authorize Collective Bargaining Agreement between the Portland Development Commission and American Federation of State, County and Municipal Employees, Council 75, Local 3769

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6899

#### ACTION SUMMARY

This action will authorize execution of the second collective bargaining agreement between the Portland Development Commission ("PDC") and American Federation of State, County and Municipal Employees, Council 75, Local 3769 ("AFSCME"). This Agreement sets forth the terms of employment for PDC's represented employees and sets forth the wages and salaries for the period between August 2010 and July 2013. Attachment A describes the material changes that have been made from the first collective bargaining agreement. Attachment B describes the primary economic terms of the contract.

#### PUBLIC BENEFIT

PDC and its represented employees have negotiated for over a year on this agreement. Both AFSCME and management have reached mutual agreement on the terms of this agreement. PDC management believes that the agreement preserves management rights, sets forth fair and sound terms of employment, and provides for wages, salaries and benefits that are both fair and financially prudent.

#### **This action will support the following PDC goals:**

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

## **PUBLIC PARTICIPATION AND FEEDBACK**

Represented employees of AFSCME Council 75, Local 3769, have scheduled a vote to ratify the proposed contract July 26, 2011.

## **COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

The approval of this agreement is consistent with state and federal collective bargaining laws.

## **FINANCIAL IMPACT**

The wages, salaries, benefits and other economic terms of this agreement are consistent with PDC's adopted budget for this year, and the anticipated revenues and budget for next fiscal year.

## **RISK ASSESSMENT**

None anticipated, since economic impacts are already contemplated in PDC's budget.

## **WORK LOAD IMPACT**

Approval of the agreement will free up time of those management and represented employees who have been negotiating the agreement. If the Agreement is not approved, PDC staff will need to dedicate additional time to further negotiate and mediate the agreement.

## **ALTERNATIVE ACTIONS**

The Board could choose to not approve the agreement, or request modifications to the agreement, in which case PDC management and the Union would recommence negotiations.

## **CONCURRENCE**

Represented employees of AFSCME Council 75, Local 3769, have scheduled a vote to ratify the proposed contract July 26, 2011.

## **BACKGROUND**

On May 1, 2007, in a vote conducted by the State of Oregon Employment Relations Board, eligible PDC employees elected to be represented by the American Federation of State, County and Municipal Employees, Council 75, Local 3769. After a year of negotiations, the first Collective Bargaining Agreement between PDC and AFSCME Council 75, Local 3769, was approved by the Union and the Commission on September 23, 2008, and September 24, 2008, respectively. That Agreement expired by its terms on July 31, 2010.

In the spring of 2010, PDC and the Union commenced negotiations of a second Collective Bargaining Agreement to replace the expiring Agreement. The negotiations took longer than expected and continued past the date the prior agreement expired. Pursuant to state and federal labor laws, PDC continued to use the first Collective Bargaining Agreement as the basis for its contractual relationship with its represented employees, until such time as a new Agreement was reached.

PDC management and the Union have now reached agreement on the terms of a proposed new Collective Bargaining Agreement, which is being submitted to the Commission for approval.

**ATTACHMENTS:**

- A. Summary of New Non-Economic Provisions of the Collective Bargaining Agreement
- B. Summary of Economic Provisions of the Collective Bargaining Agreement

## Summary of Primary Non-Economic Changes to Collective Bargaining Agreement

Subject Matter	Description of Change
<b>Discipline &amp; Discharge</b>	If employer believes there is just cause for discharge, shall place employee on paid leave for period of 10 calendar days. Employee and Union may, during this period, present information considered relevant, before formal discharge.
<b>Discipline &amp; Discharge</b>	If Union initiates grievance with regard to discharge, expedited grievance process is permitted.
<b>Grievance Procedure</b>	A new step was added to the grievance process. Before mediation or arbitration, matter must be submitted to Executive Director for review. Executive Director may decline to review the decision, in which case the matter automatically proceeds to mediation or arbitration.
<b>Interim Positions</b>	When there is an anticipated interim need for employee’s work to be done by another employee for a period exceeding 90 days (e.g. maternity leave, FMLA, unanticipated vacancy pending new hire), opportunity will be announced to represented staff to determine what employees may be interested in the interim work. Notwithstanding, management may select whatever employee it considers most qualified.
<b>Interim Positions</b>	Person who performs such duties on an interim basis shall be considered as a finalist for permanent assignment and will be given written job performance evaluation.
<b>Bereavement Leave</b>	Makes clear the two additional days of leave that may be granted if travel is necessary to attend a funeral is paid leave.
<b>Outside Employment</b>	Eliminates process for written application for, and prior approval of, accepting outside employment. Establishes clearer standards of situations when outside employment is and is not permitted and establishes process for consulting with PDC’s Conflicts Officer in certain circumstances.
<b>Layoff</b>	<p>This section was rewritten.</p> <p>Clarifies system for soliciting volunteers for layoff. Like before, employees allowed to bump less senior employees below them in their “Job Families,” but now PDC and Union formally agree upon which specific jobs are in a given job family.</p> <p>If no positions available below in job family, employee has right to bump less senior person in a position previously held by laid-off employee. Clarifies that all bumping to lower or previous positions dependant on particular employees having demonstrated knowledge, skills and ability to perform job.</p> <p>Adds that employee who bumps and changes position will serve new 90-day trial service period, after which employee will be put on layoff status if employee fails to successfully complete trial service.</p>
<b>Recall</b>	Laid-off employees remain on recall list for 3 years; retain rights to recall to any position for which they had bumping rights. If employee is recalled, prior sick leave balance shall be fully reinstated.

<p><b>Hours of Work/Overtime</b>  Flexible Work Schedule</p>	<p>Allows non-exempt employees to request alternative work hours in a given week, subject to supervisor approval. If request is granted, working a longer than normal work day will not result in overtime pay.</p>
<p><b>Hours of Work/Overtime</b>  On-Call compensation</p>	<p>If a non-exempt employee is required to be “on call” for work outside his/her normal work schedule, he/she shall make him/herself available to report to work within 1/2 hour if called, and shall be entitled to one hour of pay for each four hours “on call.”</p>
<p><b>Job Postings/Trial Service Period</b>  Job Vacancies</p>	<p>Clarified that all qualified internal candidates will automatically be considered for positions when there are external postings, and that they will be able to supplement and/or update their applications after internal postings.</p>
<p><b>Job Postings/Trial Service Period</b>  Job Vacancies</p>	<p>Adds provision indicating that if an internal candidate is selected for the position, he/she will serve a 90-day trial service period. If Employer determines that employee is not working out, employee may return to old job.</p>
<p><b>Job Postings/Trial Service Period</b>  Job Vacancies</p>	<p>Trial service is 180 days for new hires. Adds 90-day interim written review. Employer decision to terminate new hire during trial service period shall not be subject to grievance procedures.</p>
<p><b>Wages/Salaries</b>  Recruitment of New Job Classifications</p>	<p>While salary ranges for new positions still subject to bargaining, eliminates requirement that PDC and Union agree on salary range for new job classifications before recruitment may begin.</p>
<p><b>Sick Leave</b></p>	<p>Employees with no accrued sick leave may request an advance of up to 20 hours of future accrued sick leave, subject to approval of supervisor and HR. If employee terminates employment with sick leave balance owed, that amount shall be deducted from final pay check.</p>
<p><b>Vacations</b>  Unpaid Leave</p>	<p>Prohibition of unpaid leave eliminated.</p>
<p><b>Temporary Workers</b></p>	<p>Provisions regarding hiring of temporary workers clarified. Primary change is that individual temporary worker may not be employed for more than 1,040 hours in 12-month period without consent of Labor Management Committee</p>

## Summary of Primary Economic Changes to Collective Bargaining Agreement

### Cost of Living Increases:

2010-2011:	0%
2011-2012:	1.2% (PDC now uses the same COLA calculation as the City)
2012-2013:	Actual with floor of 1% and ceiling of 2.5%

### Step Increases:

2010-2011:	3.5% step increase for those rated “fully successful” or better and who i) are not already at the top of their pay range and ii) have been in their current position for at least 4 months.
2011-2012:	No step increase, but one time lump sum payment equal to 3.5% to all employees on payroll on August 1, 2011 who i) are not at their top step and ii) were employed by PDC as of April 1, 2011. Not tied to performance evaluations.
2012-2013:	3.5% step increase for those rated “fully successful” or better and who i) are not already at the top of their pay range and ii) have been in their current position for at least 4 months.

Benefits: No material changes to benefit package

Holidays: Additional paid holiday added for the day after Thanksgiving (2011)

Class/Comp Study: PDC commits to conduct a new class and comp study which will be used as data for negotiations of next Collective Bargaining Agreement.