

LETTER OF AGREEMENT FOR COVID-19 IMPACTS

The parties to this Agreement are the City of Portland (City) and the Professional Technical Employees, Local 17 (PROTEC17 or Union).

BACKGROUND

1. On March 8, 2020, Oregon Governor Kate Brown declared a State of Emergency in response to the increasing concern with Coronavirus (COVID-19) within the state.
2. On March 23, 2020, Oregon Governor Kate Brown issued an Executive Order to, “Stay Home, Save Lives”. This order limited non-essential gatherings and closed non-essential business across the City which has resulted in an unprecedented impact on the City’s financial standing.
3. The parties to this agreement believe it to be in the best interest of the union and the City to come together to address situations of financial hardship.
4. PROTEC17 and the City are parties to a collective bargaining agreement (CBA) that is in effect until June 30, 2021.
5. The measures taken in this agreement are intended to the greatest extent possible to allow the City to meet its financial obligations while retaining employees and maintaining the delivery of City services.
6. The measures taken in this agreement are intended to be short-term, however, the full financial impact resulting from the COVID-19 pandemic is yet to be determined.

AGREEMENT

The parties hereby agree as follows:

1. The Union agrees to defer the 2.9% Cost of Living Adjustment (COLA) for fiscal year 2020-2021 until January 1, 2021.
2. The Union agrees to defer all pay step and pay merit increases outlined in Schedule A of the Collective Bargaining Agreement by six (6) months during the fiscal year (FY) beginning on July 1, 2020. For example, if an employee’s anniversary date is June 15, 2021, then they will receive their step or merit increase on December 15, 2021.
3. The Parties agree that employees in the bargaining unit may voluntarily, and with the approval of their manager and Bureau Director or designee, temporarily reduce their hours for FY 2020-21 to any number between 0.9 and 0.5 FTE, resulting in a cost

savings to the City, provided that such reduction in hours meets the operational needs of the bureau and does not create overtime costs.

- a. Employees electing a reduced schedule agree to do so for the entire fiscal year unless economic conditions improve and the City no longer requires the savings or by mutual agreement between the City and employee.
 - b. The City will continue full-time health care contributions for current full-time employees reducing to any amount between 0.9 and 0.5 FTE.
 - c. Employees who voluntarily reduce their schedule by the first pay period in Fiscal Year 2020-21 will not be subject to the furlough days under paragraph 4.
 - d. Employees who voluntarily reduce their schedule under this Agreement do so for a savings to the City and shall not have their anniversary dates adjusted, except in accordance with paragraph 2 of this Agreement.
 - e. The City will provide a report to the Union of all employees who elect this option that includes the approved reduced schedule. The savings will be tracked in the following method:
 - Bureau of Human Resources (BHR) will review the provided list for accuracy and provide a cost savings based on schedule reductions.
 - The Union shall review the list and cost savings and notify BHR within fourteen (14) days if there are any inaccuracies in the report.
4. Unless otherwise stated in this Agreement, employees covered by this Agreement and earning more than \$29.55 per hour shall take five (5) furlough days, or a total of forty (40) hours, of unpaid leave under the terms as follows:
- a. Furloughs are defined as a temporary mandatory unpaid leave of absence;
 - b. Furloughs must be completed by October 31, 2020;
 - c. Part-time employees earning more than \$29.55/hr will be required to take an amount of furlough days that are prorated based on the average number of hours worked in a two-week period;
 - d. The City shall apply to the State of Oregon's Work Share program for acceptance on behalf of all employees covered by this Agreement;
 - e. Employees who meet eligibility for Unemployment Insurance and state Work Share programs due to furlough shall not have claims contested by the City;

- f. In the event that the City opts to close a facility or workgroup or otherwise designate specific furlough days, such furlough days shall not occur more than one day per week so that the weekly negative financial impact to employees covered by this Agreement is kept to a minimum. The City and PROTEC17 shall work together, either through Labor Management Committee or by mutual agreement of the parties, to find dates that are beneficial to both parties.
 - g. Based on the City's operational needs and provided that overtime costs are not incurred, employees will have flexibility in determining how they take the furlough days in order to best address their own financial needs. This includes allowing furloughs to be taken one day a week or up to all at once if the employee so chooses. This includes, but is not limited to, furloughs being taken in hourly increments. Employees' specific requests will not be unreasonably denied.
 - h. No employee will lose their healthcare coverage due to a furlough or voluntary reduction in hours as provided for in this Agreement, so long as they remain an employee of the City and are not laid-off, retire, or are otherwise separated from City service.
 - i. Employees who provide written notice of retirement on or before any furlough is scheduled, will not be required to furlough, so long as they retire by January 31, 2021. Any employee who provided such notice but does not retire by the date stated in this paragraph shall be immediately required to take furlough days/hours as described in this paragraph.
5. Following final signature on this agreement, PROTEC17 agrees to participate on a coalition of union and City members to work together to identify sources of funding from the federal government to offset the loss of revenue and prevent layoffs.
6. The Parties will meet and confer on a monthly basis to assess the financial situation and consider whether the existing economic circumstances allows for reasonable actions that can be taken to remediate the impacts of the steps taken in this Agreement or if further steps are necessary to attempt to avoid layoffs. One factor the Parties may consider in determining whether the City's economic situation has worsened and layoffs might be necessary or bettered sufficiently to allow for remediation of the impacts of the terms in this Agreement, the Parties will look in January of 2021 to see if the citywide discretionary General Fund forecast is five (5) percent below or above the required expenditures to meet ongoing current service levels, as defined by the Current Appropriation Level (CAL) plus required expenditures for legally mandated obligations. Consideration of remediation shall include remediation for all City employees who have been subject to wage cuts and/or wage freezes, such as furloughs, COLA freezes, and freezes in merit raises or step increases. Nothing in this

paragraph changes the existing right of the City to exercise a reduction in force, and in the event this is necessary then the parties will meet and discuss the economic impact and, by mutual agreement, will put forth a good faith effort to arrive at alternatives to a reduction in the workforce.

7. The Parties agree the intent of personnel savings within a bureau is to support the protection of represented positions within that bureau. The savings gained by the City from the concessions in this Agreement will be used, to the extent possible, to avoid the layoff of employees covered by this Agreement. If a public safety union fails to provide concessions that meet the current budget shortfall related to COLA and step freezes for that bargaining unit, the shortfall shall not be made up by cuts to the bargaining unit members making concessions under this Agreement.
8. If layoffs are considered to meet the economic impact of the COVID-19 pandemic, the City shall first examine opportunities for temporary redeployment. If temporary redeployment is not available, the City and PROTEC will consider whether temporary unpaid auxiliary work status is available and financially feasible for the City. If the City determines that an auxiliary work status is not available and financially feasible, then the City may proceed with layoffs. If the parties determine that an auxiliary work status is available and financially feasible, then an employee may be placed on an auxiliary work status for their current position.
 - a. Employees who are placed on an auxiliary work status during the 2020-2021 fiscal year will be provided healthcare coverage for up to three (3) months beyond when their normal eligibility would end. As an example, if an employee is placed on an auxiliary work status on June 15th, their regular coverage would extend through June 30th and they would receive three (3) months of City paid COBRA coverage (July through September).
 - b. Employees placed on an auxiliary work status shall remain employees of the City and the City will not contest applications for Unemployment Insurance and/or Work Share as applicable and determined by the State of Oregon.
 - c. Employees placed on an auxiliary work status will not have leave accruals cashed out, nor will employees on an auxiliary work status have the opportunity to earn or use paid leave, except in the case of hours worked when an employee is recalled for available work. Leave accruals shall be restored to normal procedures upon a return to regular work or separation from employment.
 - d. Placement on an auxiliary work status shall be done based on seniority within a work group but shall not initiate the bumping procedures outlined in Article 20.3(c) of the current CBA.

- e. Auxiliary work status shall not exceed three (3) months without mutual agreement of the affected employee and Union.
 - f. Layoffs shall be handled per the current CBA.
9. If there is a worsening of the City's financial position, the City and the Union agree that they will meet and discuss the economic impact and, by mutual agreement, will put forth a good faith effort to arrive at alternatives to a reduction in the work force.
10. This Agreement is to address the economic impacts of the Coronavirus pandemic, and does not set a precedent for the parties to this Agreement.
- a. The collective bargaining agreement between the City of Portland and PROTEC17 shall be extended through December 31, 2021 with all terms not in conflict with this Agreement remaining in effect.
 - b. Effective July 1, 2021, Schedule "B" wage rates will be revised as follows: Salary rates for classifications in Schedule "B" for the period July 1, 2021 to June 30, 2022 are to be increased by one hundred percent (100%) of the annual increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (as measured by the annual change in the index between the 2nd Half 2019 and the 2nd Half 2020) for the West Class A Cities, published by the Bureau of Labor Statistics, U.S. Department of Labor. However, in no event shall the salary increase be less than one percent (1%) or greater than five percent (5.0%).
 - c. However, if the City completes the classification compensation study prior to March 31, 2021, then both parties agree to engage in bargaining over wages and the Schedule "B" cost of living adjustment described above shall not go into effect unless agreed on by the parties.
11. The City recognizes the value of the Union in the workplace and supports an employee's right to organize. In addition, the City acknowledges that unduly opposing the efforts of employees to join a labor union represents a cost to the City that should be avoided when possible. As such, the City shall in good faith consider voluntary recognition into the bargaining unit any classification that is not supervisory or confidential in nature as defined under the Public Employees Collective Bargaining Act and that is not currently represented by another bargaining unit or for which an interest in recognition has not been expressed by another bargaining unit, for whom the union has provided the City with a majority showing of interest within the appropriate classification, and that the group of employees has a sufficient community of interest to the bargaining unit. The parties shall agree on the process for making this showing.

