

LETTER OF AGREEMENT

The parties to this Letter of Agreement (LOA) are the City of Portland (City), Professional & Technical Employees Local 17 (PROTEC17), Portland Police Command Officers Association (PPCOA), Portland Fire Fighters Association, Local 43 (PFFA), District Council of Trade Unions (DCTU), Laborers' International Union of North America, Local 483 (LiUNA), American Federation of State, County and Municipal Employees (AFSCME), the Portland Police Association-BOEC (PPA-BOEC), and the City of Portland Professional Workers (CPPW).

Background

1. The City is a party to current collective bargaining agreements (CBAs) with each of the following unions: PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, and PPA-BOEC.
2. The CPPW is a newly recognized union at the City, and CPPW and the City are in negotiations for a first CBA, and the mandatory terms and conditions of employment for CPPW members are status quo.
3. The City and PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, and PPA-BOEC are members of a Labor-Management Benefits Committee (LMBC) who meet regularly to discuss healthcare benefits provided to employees of the City. The LMBC votes on recommendations to make to City Council for changes to healthcare benefits for all City of Portland employees except the Portland Police Association representing members at the Portland Police Bureau (PPA-PPB).
4. In January of 2024, the City received information from its outside consultant, Aon, of a significant rise in national and local healthcare costs due to a number of factors including inflation, post-pandemic claims, and increased provider and facility charges. These cost increases impacted the City's health insurance plans.
5. Also in January of 2024, the LMBC started meeting to discuss these rising costs and ways to address them. CPPW, while not a member of the LMBC, attended meetings to learn of the issues of healthcare benefits for FY 2024-2025.
6. The LMBC voted to make certain recommendations to City Council for healthcare benefit changes for the 2024-2025 FY.
7. The Bureau of Human Resources (BHR) recommended additional changes to the LMBC recommendations for healthcare benefits for the 2024-2025 FY.
8. PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, PPA-BOEC, and CPPW (collectively the "Unions") proposed an agreement to help decrease the impacts on the City budget for the rise in costs that were in lieu of the additional changes recommended by BHR. The proposal was for a surcharge of \$25 per month (taken in the amount of \$12.50 twice monthly) per employee in pre-tax dollars to supplement the health insurance premiums for the 2024-2025 FY.
9. On April 24, 2024, City Council voted to approve an ordinance, item 336 on the morning Council agenda, authorizing the Bureau of Human Resources, in consultation with the City Attorney's Office, to enter into the letter of agreement that includes but is not

limited to the Unions' proposal in paragraph 8 for the \$25 per month per employee surcharge, provided that the Unions enter into such letter of agreement by the end of the day on April 30, 2024.

Agreement

The Parties agree as follows:

1. This Agreement resolves a disputed issue, with neither party admitting that such agreement is necessitated by any obligation under the PECBA or the CBAs between the City and each Union. This Agreement is non-precedent setting.
2. PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, PPA-BOEC, and CPPW agree that the City will make a pretax withholding for members of their Unions enrolled in the City Core and Kaiser health plans for a surcharge that shall occur twice monthly in the amount of \$12.50 for a total of \$25 per month per employee to supplement the health insurance premiums for the 2024-2025 FY.
3. PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, PPA-BOEC, and CPPW agree that each of them are authorized to enter into the terms of this Agreement and that it will either be ratified by a vote of each Union's membership (including the individual union members of the DCTU) or PROTEC17, PPCOA, PFFA, DCTU, LiUNA, AFSCME, PPA-BOEC, and CPPW agree to defend the terms of this Agreement from any challenges made by their union member/s, and if the challenge is successful to indemnify the City of Portland from the impacts of such a challenge including if the City is not able to obtain the \$25 per month per employee cost savings resulting from the terms of this Agreement. Each Union agrees to defend and indemnify the City under the terms of this paragraph from challenges made by their membership and the Unions are not responsible for defending and indemnifying the City for challenges made by a member of another Union who is party to this Agreement. For example, if any City employee union member represented by AFSCME brings a successful challenge to this Agreement, AFSCME will be solely liable to defend and indemnify the City from the challenge and for the \$25 per month per member surcharge if the City is no longer able to collect such surcharge for AFSCME-represented City employees, as well as any other costs or fees ordered to be paid by the City.
4. The City will make its best efforts to program the surcharge deduction effective July 1, 2024, however, given programming challenges and/or administrative requirements, the Parties agree that the deductions may be made late and are not waived by failing to implement the deductions on July 1, 2024.
5. The City and Unions agree that after the enrollment period for the 2024-2025 FY, they shall start meeting to discuss the impacts of the rising healthcare costs experienced for FY 2024-2025 and those expected in FY 2025-2026, and to work to identify changes and solutions to recommend to City Council to help defray these rising costs.
6. This Agreement shall be effective once all signatories have executed it.

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FOR THE UNIONS

For Professional & Technical Employees Local 17:



Karen Estevenin 04/29/2024
DATE

For Portland Police Command Officers Association:

Casey Hettman DATE

For Portland Fire Fighters Association, Local 43:

Isaac McLennan DATE

For District Council of Trade Unions:

Mark Hinkle, IBEW Local 48 DATE

Pat Christensen UA Local 290 DATE

Carol Krohn IAMW District Lodge 24 DATE

Peter Ullrey IUOE Local 701 DATE

Ramos Roman IUPAT District Council 5 DATE

For Laborers' International Union of North America, Local 483:

Ryan Sotomayor DATE

For American Federation of State, County and Municipal Employees:

Rob Martineau DATE

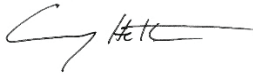
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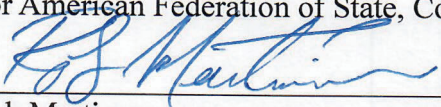
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For Portland Police Association-BOEC:



Aaron Schmautz

4/30/24

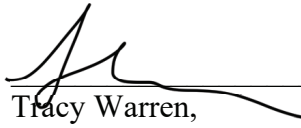
DATE

For City of Portland Professional Workers:

Kari Koch

DATE

FOR THE CITY



Tracy Warren,
Interim Director Bureau of HR

April 30, 2024

DATE

Approved as to Form:

Heidi Brown,
Chief Deputy City Attorney

DATE^s

Aaron Schmautz _____ DATE


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Kari Koch

04-30-2024

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FOR THE CITY

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Tracy Warren, _____ DATE
Interim Director Bureau of HR

Approved as to Form:

Heidi Brown _____ 4/30/24
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Chief Deputy City Attorney