

Agenda Item Number 17.A.

Collective Bargaining Settlements

Presenter: George Kloeppel

Action Recommended: None. Information Only

Background:

As the Board is aware, staff members at LCOG are grouped in two different recognized bargaining units, one represented by the LCOG Employees Association (EA) and the other represented by the Service Employees International Union (SEIU). The SEIU represents non-supervisory employees in LCOG's Senior and Disabled Services Division; whereas, the EA represents the balance of non-management staff.

SEIU

The existing three-year Agreement between LCOG and the SEIU-represented staff is about to enter its second year. A provision of that Agreement allowed negotiations to be re-opened if the cost of health insurance coverage rose by an amount exceeding fifteen percent. When notice of a premium increase which crossed that threshold was received, the agency requested negotiations. Those negotiations are now completed, and it can be reported that the provisions for health insurance coverage for the represented staff members were modified for the year beginning July 1. Specifically, a coverage package that had been recommended by the agency's Health Insurance Committee (staff and management) will be implemented. That package will increase the employee co-pay for hospitalization, emergency room, doctor's visits, and prescriptions and will double the "deductible" for dental procedures. Agency-wide, this plan modification is expected to result in a premium savings of over \$202,000, when compared to the maintenance of the existing coverage package.

Employee participation in the payment of insurance premiums will also be changed in fiscal year 2003-04. In exchange for agreeing to help contain overall costs to the agency, monthly employee contributions to premiums will be reduced by approximately 52 percent. Thus, for example, an employee opting to utilize LCOG's insurance package to provide coverage to his/her family will save \$801 in the coming year, as compared to his/her premium costs in the fiscal year just ending. However, with the exception of employee-only coverage, which will not require an employee's participation, other staff members will continue to financially contribute to the payment of health insurance premiums next year. The existing Agreement's provision for a cost-of-living-adjustment (COLA) to SEIU-represented employees' salaries was not addressed in the recent negotiations. The three-year Agreement called for a COLA for fiscal year 2003-04 of between two and four percent, based upon Consumer Price Index data. That data prescribed a COLA for the coming year of 2.4 percent, which represented staff will receive beginning July 1.

EA

Agency management and the LCOG Employees Association negotiated a new one-year Collective Bargaining Agreement for fiscal year 2003-04. The same modifications to health insurance coverage as were applied to SEIU-represented staff will be applied to EA-represented staff. Likewise, the provisions for employee sharing of premium expense will be identical for the staff in the two bargaining units. A salary COLA of 2 percent will be applied to the salaries of EA-represented staff for fiscal year 2003-04.

Unrepresented Staff

The part-time hourly employees of LCOG's Senior Meals Program are not represented by either of the two labor organizations noted above. The compensation and other conditions of employment for those staff members have been set administratively. As we move into fiscal year 2003-04, the Salary Schedule for the Senior Meals Program employees will be adjusted by approximately \$0.40 per hour to reflect and accommodate the Oregon minimum wage requirements approved by the voters last year. Our current year Schedule starts just at the new minimum, and to attract and retain employees to the Program, it was concluded that an adjustment upward from the bare minimum was needed.

Management Staff

At the conclusion of this year's collective bargaining process, I applied the same changes to health insurance coverage and employee premium participation to the exempt management staff as will be applicable to SEIU and EA-represented staff for fiscal year 2003-04. The Salary Schedule for the exempt staff will be adjusted upward for the new year by 2 percent—the same COLA as provided to the Employee Association-represented staff members.

Executive Director

As provided in the Employment Agreement between LCOG and George Kloeppel, the health insurance benefits “accorded to LCOG management employees” are to be provided to the Executive Director. Thus, unless the Board wishes to modify that provision, the same health insurance coverage modification will be applied to the Executive Director in the coming year, as will be the revised employee premium cost-sharing formula. No salary adjustment was recommended by the Chair or the Executive Committee as a part of the Executive Director's biennial Performance Review this spring. However, it was agreed that George Kloeppel would return to the Committee in September with a summary and response to the Review data and a proposal for goals for the biennium. At that point, the Chair and Executive Committee might propose a compensation adjustment, which would be brought to the Board for consideration.