



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 18-472

Version: 1

Date: 11/13/2018

Item #: 3.3 j.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Mina Hanssen, Human Resources Director

SUBJECT:

Collective Bargaining Agreement between the City and American Federation of State, County and Municipal Employees (AFSCME).

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council approve a three-year collective bargaining agreement between the City and American Federation of State, County and Municipal Employees (AFSCME), for a period from July 1, 2018, through June 30, 2021?

RECOMMENDATION:

Approve a three-year collective bargaining agreement between the City and American Federation of State, County and Municipal Employees (AFSCME), for a period from July 1, 2018, through June 30, 2021.

SUMMARY AND BACKGROUND:

The City began negotiations with AFSCME on March 9, 2018, for a successor collective bargaining agreement. A final tentative agreement on a three-year contract was reached during mediation on August 24, 2018. The employees represented by AFSCME ratified the agreement on October 1, 2018.

FACTS AND FINDINGS:

1. The principle features of the successor agreement are as follows:

A. Term of Agreement: Three years commencing on July 1, 2018, through June 30, 2021.

B. Wage Increase:

Year 1 of agreement:

- Effective and retroactive to July 1, 2018, each step of the wage scale in Appendix A for AFSCME members will be increased by two and one-quarter percent (2.25%).
- Effective upon ratification of the successor agreement, certification and incentive pay changes for select Fleet/Building & Safety classifications.

Year 2 of agreement:

- Effective July 1, 2019, each step of the wage scale in Appendix A for AFSCME members will be increased by two and three-quarter percent (2.75%).
- Effective July, 1, 2019, ten job classifications will receive a selective salary adjustment.

Year 3 of agreement:

- Effective July 1, 2020, each step of the salary schedule for AFSCME members will be increased by two and three-quarter percent (2.75%).
- Effective January 1, 2020, four job classifications will receive a selective salary adjustment.

D. Life Insurance:

- Effective January 1, 2019, life insurance coverage will increase to \$50,000 per employee.

E. Collective Bargaining Agreement: The agreement is available online at:

<http://www.cityofsalem.net/Pages/pay-plans-and-labor-contracts.aspx>

2. The approximate financial impact of this recommended settlement for the duration of the agreement is as follows:

Year 1: \$1,123,665

Year 2: \$2,686,756

Year 3: \$4,232,366

The approximate total financial impact over the life of the contract is \$8,042,787. It is anticipated the departments will absorb the additional first year cost in its FY 2018-19 budgets. If the cost cannot be absorbed, staff will return late in the fiscal year with a transfer request from contingencies.

Mina Hanssen
Human Resources Director