

MEMORANDUM OF UNDERSTANDING IMPLEMENTATION OF PAID LEAVE OREGON (HB2005, 2019)

The Parties

The parties of this Memorandum of Understanding (“MOU”) are City of Bend, Oregon and the Bend Police Association collectively referred to as the “Parties.”

Background

In 2019, the Oregon Legislative Assembly passed HB 2005, the Paid Family Medical Leave Act, which established a paid family and medical insurance program for employees in Oregon.

The Act creates a family and medical leave insurance program to provide compensation for time off work to eligible employees, self-employed individuals, and employees of tribal governments, all of which are defined by the Act. The Act provides for contributions by employers and employees as percentage of wages deducted from Payroll.

The State of Oregon delayed the implementation of the Act until 2023 and the program has hence been rebranded as Paid Leave Oregon (PLO). This Memorandum of Understanding serves to memorialize the Parties’ impact bargaining stemming from passage of HB 2005 (2019) and the implementation of PLO by the State of Oregon.

Due to the unknown nature of the future performance of PLO, the Parties would like to enter into a trial for the purpose of maximizing the Parties’ resources towards the City workforce needs and provide for assessment and learning from the implementation of Paid Leave Oregon. During and after the trial period, the Parties may decide to make adjustments to the existing MOU pursuant to its terms, enter into an alternate arrangement regarding PLO, such as becoming eligible for an exemption from PLO by provision of services from either a third party or self-administered from the City. The MOU trial period provides an opportunity for both Parties to learn and make adjustments towards the Parties’ mutual interests as performance and experience information is collected.

Terms

The Parties agree as follows:

- 1) Beginning January 1, 2023, the State of Oregon will require the City to begin deducting employee contributions from recurring payroll checks in an amount equal to 60% of the rate determined by the State, currently set at the pretax rate of 0.60% of an employee's wages. Simultaneously, the City will begin employer contributions equal to 40% of the rate set by the State, currently set at the pretax rate of 0.40%. Should the rate be modified by the State in the future, the Parties agree to reopen this provision of the MOU to further bargaining.
- 2) Beginning January 1, 2023, the City will implement a Paid Parental Leave (PPL) Program. The PPL Program will provide for 240 hours (or a proportional equivalent number of hours for non-40 hour/week employees), per employee, of paid leave for the purpose of pregnancy disability, care and bonding with a child through birth, adoption or foster care. The PPL Program is intended to supplement PLO to maximize the Parties' and City employees' joint investment in PLO.
 - a. After September 1, 2023, Employees must be receiving PLO benefits to be eligible to draw from the City's sponsored PPL accrual bank. PPL may be used during the eligibility review process beginning on the benefit start date as reported by the Employee on the application for PLO benefits.
 - b. Employees must remit to the City documentation of PLO benefits received immediately upon receipt of notification from PLO for coordination of benefits to be accomplished between the programs.
 - c. The PLO bank will be funded with the PPL leave hours on the date the PLO leave determines. Thereafter, the PPL bank will be recredited after a minimum of one year has elapsed.
- 3) Employees may, at their preference, choose to supplement PLO benefits with City accrued leave banks, such as sick, vacation, holiday, and compensatory time. If an employee elects to supplement, the City will calculate the number of hours required to cover the difference between PLO benefits paid to the employee and the employee's regular weekly average net earnings and deduct those hours from the leave bank(s) designated by the employee.

- a. It is essential that employees electing the supplement must remit to the City documentation of PLO benefits received immediately upon receipt of notification from PLO for coordination of benefits to be accomplished between the City and State programs. Accrued leave banks may be used during the eligibility review process beginning on the benefit start date as reported by the Employee on the application for PLO benefits.
 - b. While receiving PLO benefits in active status as a City employee, the City will continue City-paid health and dental insurance and seniority will continue to be credited. Employees are responsible for remitting the Employee portion pursuant to Payroll requirements for continuation of these benefits. An employee's probationary period will be adjusted proportional to their PLO use to ensure adequate observation time for the City to evaluate suitability for regular status.
- 4) The Parties agree to meet quarterly and discuss their observations and assessments of the PLO and PPL programs. The Parties will share data and statistics measured, discuss emerging issues and improvement opportunities, and identify reasonable solutions to unanticipated problems.
- 5) During the life of this MOU, the City will initiate a process to assess the service delivery options to comply with the requirements of PLO from either a third party or as self-administered by the City. Within that process, the City will forecast anticipated program expenses as well as potential funding sources. The Parties will meet and confer at least once during the term of this MOU regarding the probability of requesting an equivalent plan designation by PLO for the purpose of maximizing joint employee/employer investments as well as improving the experience for the City's workforce.
- 6) The provisions of this MOU are not intended to change any other provisions, past practice, or policies nor to set precedent if these provisions affect other provisions, practice, or policy. All other Articles and terms of the CBA shall continue without interruption for the term thereof. Nothing in this MOU will reduce current eligibility for benefits pursuant to the terms of the CBA.

- 7) This MOU will automatically terminate on August 31, 2024 (one year after PLO program benefits begin) unless the Parties agree to renew or extend the MOU prior to the expiration date. Prior to any renewal or extension, the Parties will document the relative benefits, challenges, and drawbacks to the Parties from the trial period, and will only renew or extend the MOU if the benefits to the Parties substantially outweigh any challenges and drawbacks. Within the trial period, either party may terminate the MOU by giving the other party 90 days written notice.

This Memorandum of Understanding is effective this 17 day of November, 2022.

DocuSigned by:

Rob DuValle

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Rob DuValle, Chief People Officer

City of Bend

DocuSigned by:

Greg Goller

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Greg Goller, President

Bend Police Association