

SIDELETTER AGREEMENT

BETWEEN

THE CITY OF OAKLAND, A MUNICIPAL CORPORATION, acting by and through its
BOARD OF PORT COMMISSIONERS, and

WESTERN COUNCIL OF ENGINEERS

CONCERNING FURLOUGH DAYS

This Sideletter Agreement (“Agreement”) is made by and between the City of Oakland, acting by and through its Board of Port Commissioners (“Port”), and the Western Council of Engineers (“WCE”), collectively referred to as “the Parties,” concerning furloughs for the period from July through December 2020.

RECITALS

WHEREAS, the COVID-19 health emergency and corresponding shelter in place orders have had an unprecedented impact on the Port’s revenues that are solely derived from, and dependent on, travel, visitor-oriented services, and trade. As noted in the June 25 Budget Staff Report, the significant reduction in activity has resulted in a decline in projected revenues of **\$58 Million**, with projected revenues for FY 21-22 of \$340 Million (down from budgeted revenues of \$398 Million in 2019-20).

WHEREAS, the Port has approached all employee groups (as well as the unrepresented employees) to seek a total reduction in personnel costs of **\$4 Million** to help address the overall budget shortfall and maintain positive financial metrics, including a Debt Service Coverage Ratio of 1.40x.

WHEREAS, WCE’s portion of the \$4 Million total personnel cost reduction would have been achieved through 16 furlough days this fiscal year. However, in light of the uncertainty presented by the current situation and in lieu of layoffs, the Port and WCE have agreed to six-months of furloughs (8 days), with a value of approximately **\$198,460**.

NOW, THEREFORE, in consideration of the mutual terms and conditions set forth below, the parties intend to be legally bound and do enter into this Agreement and agree to execute its terms as described below:

TERMS

1. Furloughs

a. Furlough Hours

Beginning the first full pay period following ratification of this agreement, and continuing until the pay period containing December 31, 2020 (ending January 8, 2021), bargaining unit members must take a total of eight (8) unpaid furlough days.

b. Use of Furlough Hours

1. Furlough time must be used in full day increments. A “day” is equivalent to eight (8) hours for forty (40) hour per week employees and seven and one-half (7.5) hours for thirty-seven and one-half (37.5) hour per week employees.
2. Employees will be required to take a maximum of four (4) unpaid furlough days each quarter (i.e., four (4) furlough days beginning upon ratification of this agreement through September 2020 and four (4) furlough days beginning October 1, 2020 through December 31, 2020).
3. Employees may use up to three (3) unpaid furlough days in any month except December, subject to the Port’s business needs. December furlough days will normally be limited to one (1) – any additional furlough days must be scheduled in advance with the employee’s supervisor.
4. Taking an unpaid furlough day before or after a holiday will not disqualify the employee for holiday pay.
5. Unpaid furlough days are to be scheduled in the same manner as vacation is scheduled and employees must receive supervisory approval before taking a furlough day. In the event an employee fails to schedule their required furlough days, their supervisor will identify and schedule the unpaid furlough days for the employee.

2. Layoffs

The Port agrees there will be no Port-initiated layoffs of bargaining unit members during the six-month period from July 1, 2020 through December 31, 2020, and no Port-initiated layoff notices will be issued during this time.

3. Transparency

The parties will meet no later than January of 2021 to review Port revenues and expenditures to determine whether there is a need to continue furloughs for the remainder of Fiscal Year 2020-21.

4. Telework

a. Interim Telework Conditions

The Port will maintain the current work-from-home situation for all employees to the greatest extent possible during the term of this Agreement, in order to promote the health and safety of Port employees and the public. Additionally, work-from-home will continue to be encouraged in recognition of the fact that employees may need a flexible work-from-home schedule in order to provide care to children, older adults, or other dependents. The Port retains discretion with regard to whether employees can effectively work from home, and decisions as to who is required to work-from-home and who is assigned to remain on site should be based on business operational reasons consistent with the Port's status as essential infrastructure, the provisions of the Alameda County Public Health Order, and the Port's objective to "maximize the number of personnel who work from home." The grant or denial of telework assignments is not subject to the grievance procedure.

b. Ongoing Telework Policy

During FY 2020-21, the parties will meet to evaluate the benefits of establishing a Telework Policy in the absence of a public health emergency. These meetings will begin during calendar year 2020.

5. FY2020-21 Port Performance

In the event that the Port's DSCR reported at the end of FY21 book close is equal or greater than the values listed below, the Port will compensate WCE-represented employees as follows:

- o If 2021 DSCR is 1.45x or higher, 25% value of furloughs taken will be reimbursed (i.e., 2 days of additional leave)

- If 2021 DSCR is 1.50x or higher, 50% value of furloughs taken will be reimbursed (i.e., 4 days of additional leave)
- If 2021 DSCR is 1.55x or higher, 75% value of furloughs taken will be reimbursed (i.e., 6 days of additional leave)
- If 2021 DSCR is 1.60x or higher, 100% value of furloughs taken will be reimbursed (i.e., 8 days of additional leave)


Reimbursement will be in the form of additional leave granted the first full pay period of January 2022. Additional leave must be scheduled like vacation and is paid leave when used. However, additional leave has no cash value (e.g., cannot be cashed out and will not be paid out on separation from employment). Additional leave is “use or lose it” and must be used by December 31, 2022.

6. Other Units/“Me Too”

In the event that the Port reaches a different agreement on furloughs with another bargaining unit, the Port will offer that full agreement (including furloughs and all other terms) to WCE.

In witness hereof, the undersigned have executed this Agreement on the dates set forth hereinafter.

The City of Oakland, acting by and
Through its Board of Port
Commissioners,



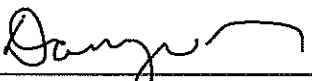
Michael Mitchell (Jul 24, 2020 16:38 PDT) Jul 24, 2020

Date
Michael Mitchell
Director of Human Resources



Nancy Watson 9/22/2020


Date
Nancy Watson
WCE



Danny Wan (Jul 27, 2020 12:20 PDT) Jul 27, 2020

Date
Danny Wan
Executive Director

Approved as to Form and Legality:


Michele Heffes (Jul 24, 2020 16:47 PDT) Jul 24, 2020

Michele Heffes Date
Port Attorney

PA#: 2020-292

THIS AGREEMENT SHALL NOT BE VALID OR EFFECTIVE
FOR ANY PURPOSE UNTIL IT IS APPROVED AS TO FORM
AND LEGALITY BY THE PORT ATTORNEY.