

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 North Park Avenue, Room 201
Helena MT 59620

PERSONNEL COMMITTEE MEETING
Negotiations with MPEA Bargaining Unit
Thursday, August 15, 2013

MINUTES

Committee Members: Timm Twardoski, Chairman
Sheena Wilson, Member
Melissa Strecker, Member

MPERA Staff: Melanie Symons, Legal Counsel
Barbara Quinn, Fiscal Services Bureau Chief
Cynthia Pearson, Executive Assistant

Human Resources: Ron Stormer, Department of Administration, Labor Relations
Chris Bacon, Department of Administration, Human Resources

MPEA Bargaining Unit: Raymond Berg, MPEA
Ann Reber and Armando Oropeza, MPERA Union Representatives

Audience: Patty Davis, MPERA

Call to Order

Chairman Timm Twardoski called the meeting to order at 8:38 a.m.

Roll Call

Chairman Timm Twardoski and Sheena Wilson were present. Melissa Strecker was excused.

Public / Member Comment

There was no public comment.

Negotiations with Montana Public Employees' Association (MPEA) Bargaining Unit

This meeting was a negotiation between MPERA and the MPEA Bargaining Unit. Mr. Berg, Ms. Reber and Mr. Oropeza (hereafter referred to as "Union Representatives") represented MPEA. The Personnel Committee, DOA representatives and MPERA managers (hereafter referred to as "Management") represented MPERA.

Union Representatives started the meeting by presenting their proposal, which contained four points. Mr. Berg clarified that the points were in no particular order.

- Adjust employee pay ranges to current markets.
- Progress employees to target pay based on their years of service.
- Provide a 3% pay increase in year one of the contract.
- Provide a 5% pay increase in year two of the contract.

Following minimal discussion, Management asked to caucus to discuss the proposal. Union Representatives left the room at 8:40 a.m.

Management reviewed a spreadsheet prepared by Barbara Quinn to determine impact to budget and to identify any inequities. Sheena Wilson recommended capping pay adjustments at less than 20% for perception purposes and the group agreed. Ms. Quinn showed several different scenarios. The group ultimately settled on a counter proposal containing the following points:

- Adjust employee pay ranges from 2006 market to 2012 market, capped at 19%. The effective date would be the pay period ending December 13, 2013.
- Do not progress employees to target pay based on years of service.
- Provide a 3% pay increase effective July 1, 2013.
- Provide a 5% pay increase effective November 15, 2014.

Reconvened at 10:00 a.m.

Union Representatives rejoined the meeting and received the counter proposal. Management explained that, with MPERA's budget, it was not possible to do both progression raises and move to current market. The decision was made to do only the move to current market. Chairman Twardoski said it was a trade-off, but a positive one that would put more money in employees' pockets and also help the greatest number of employees.

Union Representatives asked what would replace the progression pay. Management said that a mechanism was not in place right now, but it would likely be career ladders for most positions. The parties agreed that the Labor Management Committee would be tasked with developing the solution.

Management pointed out that sections 3 and 5 of the current contract would be eliminated if there were no progression raises.

Union Representatives asked to caucus to discuss the counter proposal. They left the room at 10:18 a.m.

Reconvened at 10:54 a.m.

Union Representatives rejoined the meeting and offered a package proposal. Under this proposal, they would tentatively agree to the counter proposal offered by Management with the condition that the pay progression would be put into abeyance in order to provide the Labor Management Committee the opportunity to develop career ladders. If the Labor Management Committee was unable to develop mutually agreeable career ladders by the end of two years, then pay progression would be reinstated into the contract.

Management asked to caucus to discuss the latest proposal. Union Representatives left the room at 11:07 a.m.

Management discussed the proposal, and agreed that they could not accept a reinstatement of progression pay in the future. As a compromise, they agreed to move the effective date of the market adjustment to be the pay period beginning October 5, 2013.

Reconvened at 11:15 a.m.

Union Representatives rejoined the meeting and received Management's proposal to move up the effective date of the market adjustment but not accept a reinstatement of progression pay. Management explained their position that progression pay wasn't affordable and wouldn't solve any of the employee salary problems that MPERA has right now. Chairman Twardoski said he believed this was a generous proposal and that Management had shown over the past two years how they valued employees through the significant pay increases that were given. He said he hoped there was a level of trust that Management would do the right thing in two years if a workable solution to progression pay was not developed.

Union Representatives asked to caucus to discuss the proposal. They left the room at 11:22 a.m.

Reconvened at 11:25 a.m.

Union Representatives indicated they were amenable to the latest proposal and planned to present it to union employees in the afternoon in order to get it ratified. They thanked Management for offering a fair deal that moved employee salaries in the right direction.

Mr. Stormer said DOA would enter the new pay information into the central payroll system as soon as he was notified of ratification.

Adjournment

Chairman Twardoski adjourned the meeting at 11:28 a.m.