

**KFEA NEGOTIATION
MINUTES**

15 MAY 2018 / 4:00 PM / BOARD ROOM

Attendees:

ADMIN

- PAUL HILLYER
- SHELLY HUNT
- TONIE KELLIOM
- FRED BARTELS
- MYCHAL AMOS

KFEA

- MAUREEN LUNDY
- BRIAN PALMER
- TOBY FLACKUS
- NORMA MATHIS
- BOB GRAY

Meeting Begins: (4:05- 4:17 pm)

Welcome : – *Review Minutes & Agenda- Minutes approved and sent to be posted on website.*

Continuing on Issue 12 : (4:17-5:00)

TA #12 Article 26; C1, C2, C3; Pages 46-4 TSA Contributions & Retirement Benefits

Plan 2: Employees may choose TSA program offered in Section C and need not qualify under B1 to retire.

C. TSA Programs - need not qualify under A1 or B1 to retire.

Employees who wish to opt out of either Section A or B must make an election no later than June 15, 2010 as to whether they are going to continue in the current early-retirement program or opt for the new transitional tax-deferred compensation program. This election is irrevocable once the employee makes a choice. The tax-deferred compensation program (e.g. 403 (b) program) will require a matching contribution from the employee in order to receive the District's contribution. Contributions shall be pro-rated for less than full-time employees. For all TSA options, members qualify based upon the number of years worked in the district. Example: a member who has completed 3 years of contract teaching will qualify as a 4 year employee up on the beginning of the next contract's start. The contribution will be structured as follows:

1. For members having between 14-17 years of service as of July 1, 2010, these retirement benefits will be provided by the Klamath Falls City Schools as a matching TSA program as follows:

A. \$120/month

B. Members will be paid one month's salary computed on retirement year salary (1/12). The payment of one month's early retirement salary may be distributed over the last year's salary as opposed to a lump-sum payment to members that indicate they will retire at the end of the year if

notification is given on or before September 1st of the school year they plan to retire. A lump-sum payment will be available for those who choose.

2. For members having between 10-13 years of service as of July 1, 2010, these retirement benefits will be provided by the Klamath Falls City Schools as a matching, stair-stepping, TSA program as follows:

A. 10-23 years of service - \$80/month
24+ years of service - \$100/month

B. Members will be paid one month's salary computed on retirement year salary (1/12). The payment of one month's early retirement salary may be distributed over the last year's salary as opposed to a lump-sum payment to members that indicate they will retire at the end of the year if notification is given September 1st of the school year they plan to retire. A lump-sum payment will be available for those who choose.

3. For members with less than 10 years in the District as of July 1, 2010, these retirement benefits will be provided by the Klamath Falls City Schools as a matching, stair-stepping, TSA program as follows:

4-9 years - \$25/month
10-15 years - \$35/month
16-25 years - \$50/month
26+ years - \$80/month

a) Define and frame the issue

Retirement article has been closed for 10 years with no changes in monetary compensation to TSA's (Contributions started in 2010).

b) Exchange Data

- 1) Current Cost of Retirees
- 2) Current Cost of TSA
- 3) PERS Data - Change in contributions from 2008-2018
- 4) TSA's in other districts compare to PERS contribution
- 5) KCS D retirement info
- 6) COLA from 2010-2018
- 7) Number of EE who have left for early retirements
- 8) How many districts have early retirement (Bob)
- 9) How many employees still here that are not on the 2020 list
- 10) How much does insurance for retirees cost vs stipend

c) Identify interest

- Employees have some type of KFCS retirement

- Competitive retirement
- Financially responsible - KFCS is not negatively impacted (current programs and staffing) *clearly identify benefits for budgeting ease.*
- To keep current mid career teacher in our district
- Entice younger teachers
- Allow PERS eligible employees to retire on their own terms - w/ insurance benefits
- Keep our word
- Cost incurred same year employee is working for the district

d) Invent Options

- Extend current sunset on section B to 2030
- Increase TSA matching amounts
- Add Insurance benefit
- Sunrise the sunset
- Keep the sunset as written
- Match the KCSD retirement plan
- Grandfather in employees from 2008 eligible for the 2020 retirement
- Create a new type of retirement plan
- Pay those who chose Plan C in 2010 \$ for sick leave
- Pay a stipend to the 2008 employees
- Add insurance benefits for all
- Add HSA benefit for *natorious 53 (rough estimate- would be a little lower)*
- Add employee only insurance
- Reduce monthly stipend
- Tiered approach for retirement
- Additional something for the 11 former 2004- 2008
- Add retirement benefit to 4 country employees

e) Evaluate options

- The group evaluated what options would benefit all members, not just a select few.
Agree to focus on what benefiting all members.

f) Develop/select solution

- Increase TSA Match

- Keep sunset of Plan 1 (don't change contract)
- Match KCSD Retirement
- Add employee-only retirement plan
- Add insurance benefit.
- Year 4-8 = Up to \$75.00 Match
- >8 year = Up to \$125.00
- 70 people @ \$50 = \$84,000
- 44 people @ \$100 = 26,480
- Data needed*
- *Employees # of years
- Current employee participation in TSA
- \$ District would spend if every person participated
- Different increments for TSA match

Dinner : (5:10-5:35)

Continue Working : (5:35-6:00)

Notorious 48

- Employee Only \$583 X48 = \$27, 984/monthly \$335,808/yearly
- Employee Spouse \$61,000/monthly \$732,000/yearly
- Contract Language: 30 years PERS or 60 years old and 15 years in the district for maximum of 5 years.

Caucus : (6:00-7:11)

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- KFEA - for all except 2020
 1. Employees year 4-8 \$75 Employee >8 years \$125 (\$107,000)
 2. Notorious 48 Only get: 30 years or 58 years old and 15 years in the district for a maximum of 7 years. *Insurance - employee only up to \$700 monthly.
 - ADMIN.- Would like to get data before responding to KFEA

**Below is the 2020 retirement language that the team is working through. As the team progresses through Article 26 A, it was beneficial to develop and list multiple solutions.*

***ARTICLE 26**

RETIREMENT

Both parties agree that the retirement Article 28 will not be open for negotiation for at least 10 contract years (2018 negotiations).

- A. For members retiring before July 1, 2010
 - 1. Any member shall be eligible for early retirement benefits when he/she has:
 - a. (30) years in the Public Employees Retirement System (PERS), or
 - b. Reached age fifty-five (55) prior to the start of the second semester or by June 30th of the school year; and has taught in the Klamath Falls City Schools for no less than ten (10) years. The ten years need not be consecutive, but at least ten (10) years must be served after the age of forty (40), and the last year must be just prior to retirement in the Klamath Falls City Schools.
 - 2. Once a member has met the requirements specified in Section A-1 and decides to retire, the following retirement benefits will be provided by the Klamath Falls City Schools:
 - a. Members will be paid one month's salary computed on retirement year salary (1/12). The payment of one month's early retirement salary may be distributed over the last year's salary as opposed to a lump-sum payment to members that indicate they will retire at the end of the year if notification is given on or before September 1st of the school year they plan to retire. A lump-sum payment will be available for those who choose.
 - b. The District will provide a monthly stipend beginning in the month following retirement of \$622. This monthly stipend established at retirement will continue until the member becomes age sixty-two (62).
 - c. The District shall contribute up to the maximum contribution for employee/spouse insurance received by active members until the retiree becomes age sixty-five (65). Such medical coverage shall be the same as that provided through the group plan for members employed by the District.
 - d. The insurance benefit will begin in the month immediately following retirement.

Debriefing: (7:11-7:45)

- *Did we follow our group agreements?*
- *Did we follow the 7-step problem solving process?*
- *How could we improve our process?*

Meeting Adjourned (7:45 -8:00)

Next Meetings Scheduled:

~~February 6, 2018 4-8 pm~~

~~February 20, 2018 4-8 pm~~

~~February 27, 2018 4-8 pm CANCEL~~

~~March 20, 2018 4-8 pm CANCEL~~

~~April 10th 4-8 pm~~

~~May 1st 4-8 pm *Dale will not be able to attend this meeting~~

~~May 15th (Insurance Financial/Retirement) 4-8pm~~

~~May 24th (Financial/Retirement) 4-8 pm- Norma can't make it CANCEL~~

May 23rd (Financial/Retirement) 8:00 - 12:00

May 31st (Insurance) 4-8 pm

June 5th 3:30 - 6:30 pm