

## **Minutes for April 29, 2024 Negotiations Meeting (District Team)**

Conference Room A at District Offices

Meeting began at 3:48 pm and ended at 7:01 pm

WEA Team Members Present: Mark Bullis, Molly Oscarson, Karla Hormann, Wendy Grundhofer, Roxanne Kuerschner, Wayne Trapp, Peter Brown, David Aeling

District Team Members Present: Enid Schonewise, Lisa Olson, Dana Geller, Kelly Amott, Mick Waldspurger.

The District began by explaining the regrounding that the District team has done and expressed interest in reviewing the norms of behavior.

The District apologized for their tardiness in getting a few ideas/scenarios to the WEA and explained that the absence of a Finance Director to do costing had extended the timeline. They stated that they tried to put scenarios together within the parameters based on their last conversation. The scenarios that were presented were

Scenario #1 2x2-Year .5, 3, 3, 3

Scenario #2 2x2-Year 1, 1, 3, 5 - The lower number at the beginning helps the compounding cost

Scenario #3 2x2-Year 1, 1, 3, 3

Scenario #4 2x2-Year 3, .5, 3, 3 - This option does not fit in the parameters but wanted to share it because it shows the impact of compounding.

Scenario #5 2-Year 3, .5, -, - - This option does not fit in the parameters

Scenario #6 2-Year, \$5,600 one-time money with the payment on September 15, 2024.

The District explained that these are creative ideas that they have and that they wanted to present the scenarios so WEA could see what they'd look like. The District hopes that these scenarios may "tick the boxes" of what the WEA has stated is important to them including the insurance in year 4. The District is willing to discuss scenarios 1, 2, 3, 6 and they're also willing to discuss a potential contribution of an additional \$100 per year into 403(b) accounts.

There was a discussion regarding OPEB and the District stated that the OPEB account is underfunded.

There was discussion about post-employment benefits and where that money is coming from.

The District addressed the question of where we go from here and questioned if there are ways the District can shift things around to make a difference while staying within the parameters. They stated that what they're hearing is that the biggest concern is that the people at the top step aren't getting step increases, that getting 1% would be different for them and contemplated how we address that. They noted that career increment increases or one-time money for those people might be a positive option.

The teams discussed how many people that includes and the District stated that if that is of interest to the WEA, we can talk about what to do to break that down and that they understand that 1% isn't a big increase and that insurance is going up.

The District presented the idea of a \$5,600 payment plus the 3% and 5% increases in years 3 and 4. That would include step and lane increases in years 3 and 4 plus the decided percentage increase. That way people could put the money where they want/need it, insurance costs for example.

The teams discussed what 1% represents and what the teams agreed upon. The District said that they will go back and check on that.

The WEA asked how meetings are going with the person who stepped in to do costing. The District stated that it's going well and that he is confident with our spreadsheets.

The WEA reviewed the increase to insurance premiums for employees' different levels of coverage. The district stated that they would like the WEA to look at the VEBA plan because it is the cheapest and some teachers may want that option. The District urged the WEA that we need to strongly consider plan design changes. The WEA stated that we need to make sure that taking care of health costs is a priority. The District explained that we need to look at how we define our health plans, that eventually we are going to run out of money for our high-cost health insurance plans and that things change and the industry changes. They said that we need to look at making plan design changes.

The WEA again stated that they would like to consider getting a new benefits broker to try and bring premiums down. The District again expressed their concern about the broker that WEA recently mentioned as an option and asked the WEA if they had a chance to read the email they sent them about this yesterday. They are concerned that the person doesn't have experience working with school districts, that the District previously met with this person and that we are under contract with the current benefits broker. The WEA asked the District when the other broker reached out to the District and the District said that it was two years ago. The District said that they are willing to look at an RFP and give this person a fair chance and again stated that they have concerns about working with this person. The District concluded that they see that insurance is important to everyone.

The teams talked about the idea of giving steps versus a lump-sum payment. The District stated that if a one-time payment isn't going on the schedule, it could open up room for years 3 and 4, an option to look at.

The teams talked about costing and programs used.

The WEA shared thoughts that then the \$1.7M actually adds up to \$2.6M and isn't compounded. The District clarified that the cost over 2 years adds up to \$1.734M and is compounded. The teams had more discussion about compounding.

The District suggested having a caucus and asked if the WEA has anything specific they'd like the District to discuss in caucus.

Both teams caucused at 4:40 pm.

The District confirmed that after running the numbers during caucus, 1% is \$260k and confirmed that the WEA was correct on the number.

The District shared their creative idea to address the concerns the WEA has raised and promote retention. They asked the WEA to hear them out about these scenarios and further explained that it has real value without the compounding cost. They continued with the scenario of:

In years 1 and 2 there wouldn't be steps but instead a one-time 8% payment based on whatever step (salary) Teachers are on on 9/15/2024. That payment wouldn't apply to new hires. This would help to ensure that people stay until September 15th.

As an example, Step 2 would get \$3,500 and the top step would get \$7,100.

In year 3, there'd be a 3% increase on the salary schedule, a step advancement, and a 10% increased employer contribution to benefits.

In year 4, there'd be a 5% increase on the salary schedule, a step advancement, plus another 10% increased employer contribution to benefits.

Not only would Teachers get a % increase to their salary but also step advancement and an increased district contribution toward their benefits.

They reiterated that the amount of payment is based on whatever step Teachers are on on 9/15/2024 and that lanes would still be given. They said that this is their creative proposal, that it was difficult to cost and define but that they're confident that they can make it work. They stated further that since the WEA has mentioned that employees who've been here the longest take the biggest increase on insurance, the intention of the payment is to help them.

The WEA stated that they don't know if they can get enough votes for this proposal. The District asked the WEA if they feel that giving an equal one-time payment to everyone would be better for the group and the WEA asked why people wouldn't instead be put on steps.

Both teams caucused at 5:45 pm but before leaving the room, the District wanted to confirm that the concern is about the steps and that people wouldn't advance/would fall behind. The WEA agreed.

The WEA started by saying that they think there will be red flags about not giving steps in years 1 and 2, basically being frozen for back to back years. The WEA stated that they'd like to know what's available for each year and a printed version of the proposal would be helpful.

The District confirmed that they will send the WEA an email that will outline the proposal and that they'd leave it to the WEA to come back with a creative response.

The WEA stated concerns about the 180 FTEs who won't get a step. The District confirmed that steps cost \$402k per year and presented a trade-off that if the WEA feels that steps are more important, in year 4 of the proposal that currently includes a 10% increase to the employer benefits contribution which was almost \$400k as well, we could take that 10% out and say that everyone who isn't capped out on steps gets 2 steps. That would be close to the same amount and both have compounding impacts.

The WEA asked the District what they're using to calculate this proposal. The District said that they started with the \$1.7M, backed that down into one-time payments after taking out TRA and FICA and that broke down to \$5,600 for teachers. Otherwise there's the option to give a one-time 8% payment where if you're at the top of the schedule and not benefiting from steps, it's a really good deal. They reiterated that if we do 2 steps in September of 2026 instead of the 10% increase to district benefits contributions, it's the same amount of increase.

The WEA stated that this proposal isn't as good as the first one for some of the people and that they want to give a good snapshot to their group. The District said that they hear the WEA's concern.

The District stated that there's a lot of value placed on steps and that it's a big increase that's built in on top of percentage increases. They shared that they are not playing games or hiding anything and that they're trying to dig out of a hole.

The WEA shared that something they didn't notice until now was that they weren't looking at everyone who is eligible for steps and that with the cost of college credits right now, there is a cost to obtain a new lane.

The District stated that we need to be careful to not change too much and the WEA agreed and said that they appreciate what the District did with this proposal. The District asked the WEA, if the money is there, where that gets a deal done in their minds.

The WEA vocalized some ideas around payments, insurance, and melding scenarios. The District suggested to the WEA that maybe as a group they could come together and generate ideas. The WEA said that they will continue to look at the numbers but that no steps for 2 years will be hard to pass. They asked if we can have the person who is doing costing at the next meeting and also see what he is using. The District said that they are not sure if they can do that but that they will ask him.

The WEA again asked if they can see what the parameters are for each year and the District stated that they look at the increase year over year. The way to increase our numbers is to do the one-time money. The person who is currently costing was within hundreds of dollars of what

was costed at the beginning of this round of negotiations. It isn't a budget but a cost that he's using to determine if we are going to get out of debt or not.

The WEA asked if they could get a salary schedule from him and the District said that they're not sure if we can do that.

The WEA concluded that they are just trying to get this done, that they understand that the board wants to get their SOD shored up and that teachers do as well. They shared an apology in advance that the extra information helps them to see what we're doing. They also said that they know the District is frustrated but that they are too because they are used to having a model up on a screen so they could see things happen.

The District asked the WEA if they would like to schedule the next meeting and the WEA said that they'd like to schedule over email.

Scheduled Meetings:

The teams plan to meet again in May, 2024.