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Kim:

This letter is in response to your December 30, 2021 questions regarding the King Soopers/City Market Comprehensive proposal. Before I get to that, I am compelled to tell you that your bargaining strategy and conduct defines bad faith and surface bargaining, disservices our associates, and violates your duty of representation. When we handed you our "comprehensive" proposal you asked only one question and took a caucus. Shortly thereafter without discussing it or asking any questions you "rejected it."

After caucusing that afternoon and most of the next day, bargaining ended without you making any counter proposals. At the same time, you sent notices to our associates telling them that you will be conducting a strike vote, without meeting your obligations under law to involve a federal mediator under the Federal Mediation Conciliation Service, especially when there has been no final offer for our associates' consideration. Your notice to our associates of an "unfair labor practice strike" is nothing more than a farce and a scare tactic to undermine the bargaining process. You are the one who is blatantly violating the National Labor Relations Act, which we will address.

### **Proposal 2 (Retail and Meat) – Full Time Positions**

1. You pledge to assign 500 part-time employees to full-time "as soon as possible over the next three months."
  - This will be a combination of both the lookback period and the current promotional pool process under the current CBA.
  - a. How will these positions be divided among retail and meat bargaining units? Among geographical bargaining units?
    - These will be determined as appropriate by the needs of the business.
  - b. What, if any, criteria will the Company use to determine which 500 employees to assign to full-time?
    - This will be a combination of both the lookback period and the current promotional pool process under the current CBA.
  - c. Can an employee so assigned refuse the assignment? Will the full-time status then be posted within the store? Or will it be drawn from the full-time request list?
    - The company will not force any associates to be advanced to full-time if that is not the associate's desire. Again, the company will advance associates in combination of both the lookback period as stipulated in our proposal and the promotional process under the current CBA.
  - d. Will employees be transferred or otherwise reassigned to different work as a result of these full-time assignments?
    - The Company will follow the same process we currently follow in regards to the promotional pool

language under the current CBA.

2. You also propose to conduct a 52-week review by store to identify part-time employees who worked, at straight-time plus vacation, a total of 2080 hours or more within the same classification and store.
  - We proposed the same lookback language as we had in 2019.
  - a. You do not propose to include as time worked hours used for sick leave, FMLA leave, COVID-related absences, holidays, or other personal absences. Is the Company complying with its legal obligations by excluding these items? Why is the Company penalizing workers who have reported illness, particularly during a global pandemic?
    - Once the promotional pool is exhausted, the associate may represent their desire regardless of their use of any leave, they will be considered for any said full-time position. We will ensure that we are following applicable local, state, and federal law.
  - b. For employees who transferred stores (or changed classifications) during the look-back year, will that employee's hours be combined in your review, or will they be penalized for transferring or changing classifications?
    - Yes, the associate's hours will be combined in our review and no associate will be penalized for transferring or changing classification.
  - c. What notice will the Company provide about the in-store posting? How will workers on vacation, or otherwise absent, know that the request list is posted?
    - The company will communicate with help from the union when the full-time openings will be posted. The company will post the full-time openings for 72 hours, as we currently do.
  - d. Would full-time positions identified based on this review be over and above the 500 employees you pledged to assign to full-time over the next three months, or are they included within that figure?
    - There is a possibility that there may be over 500 full-time positions available and if that is the case, the company will advance more than 500 associates to full-time.

### **Proposal 3 (Retail and Meat) – Recognition and Exclusions**

1. Your Retail proposal first states you wish to delete the phrase “. . .and future stores only of the Employees.” but the deleted text states, “and future stores only of the Employer”. Which is it?
  - We had a typo; it should say delete the phrase “...and future stores only of the Employer.”
2. Under this proposal, could the Company close a union store, and reopen a store across the street as non-union?
  - If this language is agreed to the company will follow the CBA and applicable Board law.
3. What would happen in the event of store remodels? How about when stores are renumbered during remodels (for example, in the past, store 39 became store 139, store 48 became store 100, and store 4 became store 109)?
  - Again, if this language is agreed to the company will follow the CBA and applicable Board law.

### **Proposal 6 (Retail and Meat) – Definitions of Classifications**

1. Under your proposal – could meat side employees select shifts on the retail side? Could retail employees select (or be assigned) shifts on the meat side?
  - No, associates covered under the meat CBA could not select shifts on the retail side and associates covered under the retail CBA could not select shifts on the meat side.
2. What is the maximum amount of time a retail employee could cover shifts on the meat side per day? What about per week?

– The company’s intent is to allow associates to work intermittently between bargaining units to perform work to cover breaks, lunches, and customer service needs. There is no minimum or maximum hours an associate can work between bargaining units.

3. If employees within a meat bargaining unit have signed the additional hours list – could the Company bypass the list and assign a worker from the retail unit in that store? Vice-versa?

– The company will use its best effort to cover available shifts on the meat side with associates covered under the meat CBA and vice-versa before we offer shifts to the associates outside the bargaining unit.

### **Proposal 7 (Retail and Meat) – No Reduction in Pay**

1. Under your proposal, you can reduce wages and benefits to the minimums in the contract.
  - The intent of this language is to enable the company to hire staff in times of labor crisis, such as we are in today. The Company will not lower wages as a result of this proposal.
  - a. Under your proposal, in 2022, an APC in Denver who has worked 4200 hours will be paid \$17.60. Are you able to raise this employee’s wage and then reduce their rate to \$16.00 (your proposed step 1 rate for a Denver APC in 2022)?
    - Your question is confusing, however the Company will not lower wages.
  - b. If you hire someone at a rate higher than the first step, can you subsequently lower their rate of pay to a lower rate for their classification?
    - As mentioned above the Company will not lower wages.
2. Under your proposal, could you raise an employee’s wage and then reduce it without notice?
  - As mentioned above the Company will not lower wages.
  - a. For example, could you raise everyone’s wages by \$6.00 per hour, but then decrease only Journeymen wages back down \$6.00 the next day? And then a first-day employee may be earning a higher wage than a 30-year employee?
    - As mentioned above the Company will not lower wages.
  - b. What happens to the hours worked at the higher rate? Is an employee credited in their “step” in the wage progression with those hours, or if their wage is later reduced back to contract rates, would they have to re-work those hours to advance to the next “step”?
    - As mentioned above the Company will not lower wages.
3. What do you intend to be included in your reference to “other benefits” in this proposal?
  - This proposal is intended for wage proposes only. (We can delete “other benefits” if this is a concern for the union)
  - a. Are you proposing that you could offer an enhanced benefit and then take it away without notice?
    - No
4. Your proposal places no limitation on the wages or benefits you may raise or lower at your whim.
  - As mentioned above the Company will not lower wages.
  - a. Are you proposing that you can single out individual employees to treat more or less favorably than other employees?
    - No
  - b. Within a given store?
    - No. Our intent is to be able to increase wages depending on circumstances and the needs of the business.
  - c. Between geographical areas?
    - No. As mentioned above, our intent is to be able to increase wages depending on circumstances and the needs of the business.

### **Proposal 10 (Retail) and 11 (Meat) – Minimum Weekly Schedule**

1. You propose to permit employees to be scheduled less than minimum hours at management's discretion if an employee requests to work fewer than minimum hours.
  - we are not intending to circumvent select a shift.
  - a. How does this work with select-a-shift procedures?
    - The company's intent is to allow the stores that have available shifts for associates to select shifts if they request to work less than the minimum hours under the CBA.
  - b. Under your proposal, can you force a senior employee to work additional hours because a part-time employee wants to work fewer than minimum hours?
    - As discussed previously, the company wants the ability to hire individuals that have limited availability. We would like to discuss this in more detail with the union and may shift to limiting weekend and evening work for this group so that more senior associates are not forced to work those less desirable shifts.
  - c. Under your proposal, if any employee requests fewer than minimum hours, can they be forced to work more than minimum hours?
    - Again, our intent is that the company wants the ability to hire individuals that have limited availability. We would like to discuss this in more detail with the union and may shift to limiting weekend and evening work for this group so that more senior associates are not forced to work those less desirable shifts.
  - d. Would an employee working fewer than minimum hours be subject to being held over beyond the end of their scheduled shift on the same terms as other employees?
    - Ideally, we have appropriate staffing, so associates are not forced. But in an event where the business needs require associates to stay past their scheduled shift they will be subject to the same terms as other associates.
  - e. How would an employee who has elected below minimum hours status go about requesting to revoke that status? What would be the approval criteria?
    - The associate would need to communicate with store leadership to inform them that they are no longer needed to work less than the minimum hours
  - f. Under your proposal, would any contributions be made to the health fund for any of the hours worked by an employee who elects to work fewer than minimum hours in a week?
    - If the associate does not work the required hour in a month, they would not be eligible for coverage on a lag month basis. There would be no supplementation of hours if the associate did not work the required hours.
  - g. Have you estimated how this change would affect the level of Company contributions to the health fund? If so, what is the estimated change?
    - There would be no impact to the Fund. If hours are not sufficient, no employer contribution is required, and the associate would not have any claims paid while ineligible.

### **Proposal 11 (Retail) and 10 (Meat) – Reporting Pay**

1. Under your proposal, if an employee is available to work 3.5 hours but not 4 hours, can you call them into work to work 30 minutes?
  - The intent of this proposal is not to alter the current provision regarding minimum hours scheduled for the day. All associates are still guaranteed a minimum of 4 hours. As of such, all questions below are not applicable.

- a. What if the employee lives over an hour's drive from work – under your proposal, they might drive for 2 hours to receive ½ hour of pay?
2. When an employee is called in and reports to work but is unavailable for the full 4 hours, will the Company advise the employee before they agree to report to work how many hours they will work and be compensated for?
  - a. Will the Company be able to change this number of hours after it has been relayed to the employee?
3. Your proposal applies to employees who *report* to work – What if an employee lives an hour away from work, agrees to report to work to cover an absence, and then when they are halfway there, she is called and told she is no longer needed.
  - a. Will the employee be paid for the 4+ hours she was prepared to work?
  - b. Will the employee be paid for any amount of time spent?
4. You propose to eliminate the guarantee that employees will be scheduled a minimum of 4 hours.
  - a. Would this apply to all employees even if they have not requested to work fewer than the weekly minimum hours?
  - b. If yes, how do you propose to schedule employees for such shifts?
  - c. Under your proposal, could an employee be scheduled for just one hour? Half an hour?

#### **Proposal 12 (Retail and Meat) – Split Shifts**

1. Under your proposal, can the Company write a schedule that forces an employee to select a split shift in order to get 40 hours for the week if the employee is full-time? Part-time?
 

– No, the company will not force any associate to select split shifts. Associates would need to indicate their desire to work a split shift.
2. Under your proposal, would an employee working the second half of a split shift still be entitled to daily overtime for that work?
 

– Yes, if an associate works over 8 hours in any given day, they will be entitled to daily overtime pay.
3. Would there be any guaranteed time lapse between potential split shifts?
 

– This would depend on what the associates request and if the company has the available shifts for them to select.
4. Would each half of a split shift be subject to a 4-hour minimum as to the length of that shift?
 

– The company will not have less than 4 hours shifts on the select a shift for all associates to select. However, the associates may break up their 4 to 8-hour shifts based on the associate's needs and approval from store leadership.
5. How would the Company handle rest and lunch breaks in a scenario where an employee works a 5-hour shift, has 3 hours between shifts, then works a second 5-hour shift? How would daily overtime be calculated in this scenario?
 

–This associate will receive breaks, lunches and overtime as applicable in the CBA.
6. Would employees be able to select split shifts on select-a-shift?
 

– The Company has no objection if an associate wants to select two 4-hour shifts.
7. Would your proposal permit the Company to add additional shifts after select-a-shift had been completed for the applicable week?
 

– The company will continue to follow the CBA in regard to scheduling. If there are shifts added to the schedule, we will have associates re-select their shifts.

### **Proposal 14 (Retail and Meat) – Promotions**

1. Under your proposal, is there any opportunity for an employee to be promoted outside of his or her home store?  
– Yes, if there are no qualified applicants within the store.
2. If you have a 25-year employee working at Store X who wants to be promoted and would move anywhere within the bargaining unit, and then a 1-year employee working at Store Y who wants to be promoted to the same position and there is an opening at Store Y, which employee would receive the promotion?  
– priority will be given to the associates at the store where the opening occurs.

### **Proposal 16 (Retail and Meat) – Leave of Absence**

1. You previously explained this language was equivalent to the current leave period even though you reduced the 18 months to 12 months – however, your proposed letter of understanding only says that employees “may” be reinstated after a leave of absence between 12 and 24 months long. Would reinstatement be at the Company’s discretion?  
- Employees shall be reinstated if they submit satisfactory medical evidence.
2. What criteria would be utilized to determine whether to reinstate the employee under this circumstance?  
– same as above
3. In a reinstatement described under your proposal, could the employee’s classification be changed? Could the employee be promoted or demoted? Transferred to a different store?  
– The Company will use its best efforts to reinstate the employee back to their previous position or a similarly situated position and store, as we do today.
4. In a reinstatement described under your proposal, would the employee’s hours be reset?  
– No, the employee’s hours will not be reset
5. How would your proposal apply on or after January 1, 2024, when paid family leave comes into effect in Colorado?  
– The company will ensure compliance with the new paid family leave law.
6. Your proposal requires the employee to provide medical documentation. What would be the timelines for the provision of such documentation? What would be the timeline for a response by the Company?  
– Current procedures in place today will be followed.

### **Proposal 17 (Retail and Meat) – Sick Leave**

1. In subsection 6 of your proposal, you state “King Soopers expects employees...to schedule the leave in a manner that does not unduly disrupt King Soopers operations.” Please provide examples of what would be a manner that unduly disrupts King Soopers operations.  
- The “unduly disrupt” language comes directly from the Healthy Families and Workplaces Act (the “Act”), which imposes this affirmative requirement on employees as follows: “WHEN THE USE OF PAID SICK LEAVE TAKEN UNDER THIS SECTION IS FORESEEABLE, THE EMPLOYEE SHALL MAKE A GOOD-FAITH EFFORT TO PROVIDE NOTICE OF THE NEED FOR PAID SICK LEAVE TO THE EMPLOYEE’S EMPLOYER IN ADVANCE OF THE USE OF THE PAID SICK LEAVE AND SHALL MAKE A REASONABLE EFFORT TO SCHEDULE THE USE OF PAID SICK LEAVE IN A MANNER THAT DOES NOT UNDULY DISRUPT THE OPERATIONS OF THE EMPLOYER.” C.R.S. 8-13.3-404(5). Employees who do not comply with this

affirmative obligation are in violation of the Act. Thus, the language in the proposal simply means that King Soopers expects employees to comply fully with their legal obligations under the Act. King Soopers is not in a position to interpret or give examples of what the legislature meant by the phrase “unduly disrupt.”.

- a. Would a floral clerk who is scheduled for elective surgery in the days before Valentine’s Day be unduly disruptive? Same question, but for a floral manager?
  - The Company would expect Associates to follow the same procedures they follow today when scheduling various leaves of absence including a medical leave.
2. In subsection 7 of your proposal, you propose to exclude pay where employee requests leave because of “fear or anxiety of contracting a communicable illness that is the cause of a public health emergency.” Please provide any authority or other basis that such an exclusion is consistent with Colorado law.
  - The Act requires sick leave to be available for the following uses: “THE EMPLOYEE: (I) HAS A MENTAL OR PHYSICAL ILLNESS, INJURY, OR HEALTH CONDITION THAT PREVENTS THE EMPLOYEE FROM WORKING; (II) NEEDS TO OBTAIN A MEDICAL DIAGNOSIS, CARE, OR TREATMENT OF A MENTAL OR PHYSICAL ILLNESS, INJURY, OR HEALTH CONDITION; OR (III) NEEDS TO OBTAIN PREVENTIVE MEDICAL CARE.” C.R.S. 8-13.3-404(1)(a). In the context of a declared public health emergency, sick leave may be used because of “THE EMPLOYEE’S NEED TO: “(I) SELF-ISOLATE AND CARE FOR ONESELF BECAUSE THE EMPLOYEE IS DIAGNOSED WITH A COMMUNICABLE ILLNESS THAT IS THE CAUSE OF A PUBLIC HEALTH EMERGENCY; (II) SELF-ISOLATE AND CARE FOR ONESELF BECAUSE THE EMPLOYEE IS EXPERIENCING SYMPTOMS OF A COMMUNICABLE ILLNESS THAT IS THE CAUSE OF A PUBLIC HEALTH EMERGENCY; (III) SEEK OR OBTAIN MEDICAL DIAGNOSIS, CARE, OR TREATMENT IF EXPERIENCING SYMPTOMS OF A COMMUNICABLE ILLNESS THAT IS THE CAUSE OF A PUBLIC HEALTH EMERGENCY; (IV) SEEK PREVENTIVE CARE CONCERNING A COMMUNICABLE ILLNESS THAT IS THE CAUSE OF A PUBLIC HEALTH EMERGENCY.” C.R.S. 4-13.3-405(3)(a). The mere “fear or anxiety of contracting a communicable illness that is a cause of a public health emergency” is not encompassed by any of these uses, and therefore is permissibly excluded.
3. Would step-children, step-siblings, or step-parents be considered qualifying “family members” under your proposal?
  - The definition of “Family Member” in the proposal comes directly from the Act. See C.R.S. 8-13.3-402(6). See also C.R.S. 2-4-401(3.7). King Soopers is not aware of any caselaw or guidance interpreting the statutory definition as to “step” relatives. However, King Soopers would consider the examples given to be “Family Members” insofar as they are “related to the employee by . . . marriage.”
4. In subparagraph 13, you describe actions you will take “Any time a PHE is declared in Colorado...”
  - a. Please confirm that if the Colorado Department of Labor and Employment determines or advises that a Public Health Emergency (as that term is defined under HFWA) exists (or does not exist) in Colorado, that determination or advisement will be determinative as to whether employees will be entitled to “PHE PSL”.
    - The CDLE does not have authority to declare the existence of a Public Health Emergency (“PHE”) as defined in the Act. Under the Act, a PHE may only be declared by “A FEDERAL, STATE, OR LOCAL PUBLIC HEALTH AGENCY” or “THE GOVERNOR.” C.R.S. 8-13.3-402(9).
  - b. Please confirm that there is currently a PHE declared in the State of Colorado with respect to COVID-19.

- King Soopers understands that a PHE has been declared and is currently in effect, with an expiration date in January 2022.

5. With respect to subparagraph 21 of your proposal, please provide examples of “changes or additions to the relevant trust fund provisions” that would be subject to this provision.
  - The primary purpose of this provision is to clarify that the proposal does not change any of the benefits or remedies prescribed under the Rocky Mountain UFCW Unions & Employers Health Benefit Plans, or other benefits in the CBA. Any such changes must go through the normal processes.
    - a. Please confirm whether your proposal seeks to limit the authority of the trust fund trustees.
      - The proposal does not purport to modify the authority of the health plans’ Trustees. Section 10.1 of the Rocky Mountain UFCW Unions and Employers Health Benefit Plan Trust Agreement requires that all amendments to the Agreement be subject to approval by both parties, in addition to the Trustees.

### **Proposal 18 (Retail and Meat) – Health and Welfare / Health Benefits Plan**

1. You have proposed to cover 50% of any needed monthly increases. How is the needed increase determined?
  - As part of our comprehensive offer, our health care proposal calls for 50/50 cost sharing of any future increases that are in excess of the current contribution rates already established through the collective bargaining agreement. As you know, we have directed Horizon to discuss with Segal future health care projections and Horizon has had some discussions to date with Segal. We look forward to having discussions with the union on health care matters outlined below in the near future.

In addition to the above, we will direct our health care consultant, Horizon, to discuss the remaining questions below with Segal in preparation for our discussions between employer and union. We suggest this employer/union discussion take place in a subcommittee format with both Horizon and Segal representatives present.

- a. What is the targeted assets used to set the needed increase?
  - b. When is the calculation set to be done?
  - c. In what ways does the Company propose to make up the difference? Employee contributions, plan design, combination?
    - i. Have you estimated or modeled such changes? If so, please provide them.
2. Are you proposing to change the target IBNR?
  3. Does this proposal imply that the Union will need to make a plan change or employee contribution change each year of the contract?
    - a. Have you estimated the needed increases each year of the proposal? If so, what are they? Please provide any models and estimates.
  4. What happens if the needed increase is less than zero? Will there be no decrease in rates allowed?
  5. Does this proposal impact the long-term funding policy?
  6. Under your proposal to have Horizon Actuarial Services project needed rate increases, what happens if Segal’s projections are different from Horizon Actuarial Services’ projections?
    - a. What would be the dispute procedure if the Union disagrees with the projections of Horizon Actuarial Services?
    - b. When would the projections be published?
  7. You are proposing to increase the weekly hours required for enrollment in the health plan, and to allow

- employees to work fewer than the minimum weekly hours. Have you estimated or modeled the effect of these changes on the amount of Company contributions? If so, please provide such estimates or models.
8. Under your proposal concerning required monthly hours to maintain coverage, when would these look backs occur? Monthly? Annually?
- a. If an employee did not have sufficient hours in the month of February, but had sufficient hours in the month of March, would the employee lose coverage?
    - i. When?
    - ii. And if so, would the employee be able to regain coverage?
      1. When?
      2. How?
    - iii. Would the reinstatement rule still apply?
  - b. If an employee did not have sufficient hours in the month of February, but had sufficient hours in the month of May and thereafter, would the employee lose coverage?
    - i. When?
    - ii. And if so, would the employee be able to regain coverage?
      1. When?
      2. How?
  - c. How would your proposal interact with provisions of the Patient Protection and Affordable Care Act requiring an annual look back and coverage to be provided for employee who averaged at least 30 hours per week in the prior year?

#### **Proposal 21 (Retail) – Senior Certified Pharmacy Technicians**

1. Would there be a limit on the number of Senior Certified Pharmacy Technicians per store? If so, what is the limit?  
– There will be no limit.
2. What criteria would the Company use to determine whether an employee is to be promoted to the Senior position? Would promotions be governed by seniority?  
– Senior certified techs must complete necessary training and receive the necessary certification before they are able to become senior certified techs. The company encourages all certified pharmacy techs to complete the necessary training to become a senior certified tech.
3. How would Senior Certified Pharmacy Technicians select shifts? Would they only select among themselves, or in combination with either Lead or Certified Pharmacy Techs?  
– Senior Certified Pharmacy Techs and Certified Pharmacy Techs will select from the same select a shift based their seniority.
4. If a Senior Certified Pharmacy Technician was laid off, would that employee only have bumping rights in the Senior Tech classification, or in combination with other Pharmacy Tech classifications?  
– Senior certified techs and certified techs would be the same classification when it comes to layoff rights.

#### **Proposal 24 (Retail) and 23 (Meat) – Ratification Bonus**

1. How would the ratification bonus be paid – in cash/check, on a King Soopers gift card, or some other method?  
– The ratification bonus would be paid in cash/check, less taxes.

## Proposal 25 (Retail) and 24 (Meat) – Letters of Agreement

### 1. LOA #21 (Retail) – Courtesy Clerks

- a. You propose to delete the LOA that offers a longevity bonus to Courtesy Clerks with 3 and 6 years of service that the parties just agreed to last negotiations and to eliminate wage progressions for Courtesy Clerks based on hours worked. Why are you proposing to lock in the payrate for these employees who may have been working with your Company for years?  
– The Company’s intent to remove this language due to starting rates being raised in our current proposal. For example, a Courtesy Clerk in Denver bargaining unit (non-Denver City store) will get an increase for \$2.58 to \$3.68. Similarly, a Courtesy Clerk in Grand Junction or Colorado Springs will get a \$1.08 to \$2.18 increase.
- b. Under your proposal, a Courtesy Clerk in Colorado Springs, Pueblo, Grand Junction, and Clifton will make in 2025 the rate of pay that Courtesy Clerks in the Denver metropolitan area will make in 2022 regardless of seniority. Do Courtesy Clerks do different work outside of the Denver metropolitan area?  
– These Courtesy Clerks do the exact same work; however, they live in a different geographical area where the cost of living is different.

### 2. LOA #28 (Retail) and #33 (Meat) – ACQ Bucket Hours

– The company’s intent to remove this LOA is because our proposal moves every associate to the same wage scale.

- a. If you remove this letter, would a journeyman customer service clerk move to the first step in the pay scale if he or she moved to the checkstand?  
– No, the company’s intent is to move associates from their current progression step to the same step in the new classification, upon ratification
  - i. Would a *any* customer service clerk moving to the checkstand move to the first step in the pay scale if he or she moved to the checkstand, regardless of hours worked in customer service?  
– No, as mentioned above the company’s intent is to move associates from their current progression step to the same step in the new classification, upon ratification
- b. If you remove this letter, would a Meat Manager in Loveland (potentially making \$24.38 per hour in 2022 under your proposal) start at Step 1 if he moved nearby to Greeley or Fort Collins and took a Butcher Block position because the Store already had a Meat Manager – which, under your proposal, would be \$14.50 in 2022)?  
– If an associate steps down from management, the company will move that associate to the appropriate step based on hours worked.
  - i. Would a Meat Manager who steps down to a Butcher Block clerk at his or her own store move to the Step 1 rate?  
– As mentioned above, if an associate steps down from management, the company will move that associate to the appropriate step based on hours worked upon ratification.
- c. You also propose to permit employees to work between classifications and bargaining units (Proposal 6). Would any of these hours worked outside of the employee’s assigned classification be included in the employee’s hours for progression through the wage scale?  
– Yes, all the hours that the associate works in or out of their bargaining unit will count towards their wage progressions.

## Appendix “A” (Retail and Meat) – Union Experience Credit Matrix

1. In the Union Experience Credit Matrix, you deleted Trader Joe’s, Sprouts, Vitamin College, and Alfalfa from Non-traditional and other retails, and added Trader Joe’s, Sprouts, and Natural Grocers to Comparable Traditional Grocery. Please confirm that you omitted Alfalfas because the company closed all of its retail shops, and that Vitamin Cottage is/has become Natural Grocers.  
– Yes, the company omitted Alfalfas because the company has closed all of its retail shops and we believe that comparable grocery formats would cover any associates from closed/former grocery businesses. Vitamin Cottage is interchangeable with Natural Grocers.
2. The Union Experience Credit Matrix says “Once a Journeyman always a Journeyman” but you have proposed to delete the ACQ Bucket Hours LOA and to move the journeymen in some classifications to lower steps in your proposed 2022-2025 wage tables. Why do you honor journeyman status for employees coming from other grocers (including other Kroger stores) but not all workers who have earned journeyman status by working at your own Company?  
– We will continue to honor journeyman status with our associates. Our current wage proposals have every journeyman moving to the top out rate with the exception of Customer Service Clerks.

## Appendix A – Wage Rates

1. For Department Head rates of pay, you have proposed a two-tier structure based on sales.
  - a. Please confirm sales means store sales.  
– Store sales mean total store sales excluding pharmacy and fuel.
  - b. Please confirm that “exclude RX and Fuel” means that the sales figure would exclude sales of prescription medication and fuel.  
– That is correct
  - c. What would the lookback period be? When would adjustments take effect?  
– Adjustments would take effect once a year based on two years of sales data.
  - d. How frequently could pay rates change based on variable sales? Weekly? Monthly? Annually?  
– Annually
  - e. Would sales figures be provided to employees and the Union so that employees could verify their pay rates are correct?  
– The company is willing to share the store numbers that fall in each category of sales with the union. The company will not share the sales figures due to the propriety nature of the information. However, in cases where there is a conflict the union can request a review of said data with a KS/CM representative and a signed non-disclosure agreement.
  - f. Assuming these pay rates went into effect on 1/1/21, please identify which stores would qualify for higher pay rate?  
– Due to the confidential nature the company will not share this information; however, there are roughly 50% (51 out of the 102) stores where the department heads will fall over a million dollars in sales. The company is willing to review the store numbers with UFCW representatives if needed.
2. In the City and County of Denver, minimum wage in 2022 will be \$15.87. An All-Purpose Clerk employed at Store 1 has 3,199 hours accumulated on 1/29/22. His pay rate today is \$14.77, and through operation of the minimum wage his rate will be \$15.87 (or greater) on 1/29/22.
  - a. Please confirm, under your proposal, that employee will see his wage rate increase 13 cents to \$16.00 per hour on January 30, 2022 and the employee will lose all 3,199 of his credit hours and

need to work an additional 7,800 hours until he reaches journeyman.

– That is not correct. In your example above this associate will move to \$16.40/hr. The associate will then need to work 1040 hours to progress to the next step. Associates bucket hours will not be reset based on our proposal. However, the associate will restart their current progression step and will be required to work the necessary hours in that progression step.

- b. Assume the employee works 1,600 hours during the remainder of 2022, and that the applicable minimum wage rises to \$16.50 effective 1/1/2023. What would the employee's wage rate be on 1/1/2023? If the employee's wage increased on 1/1/23, would the employee's hours be reset at that time? What step would the employee be at in the wage progression? What would the employee's rate be effective 1/29/23 (assuming the employee did not work the necessary hours to secure an additional step increase during the 1/1-1/29 period)? Would the employee's hours be reset on 1/29/23?

– Keeping in mind your inaccuracy above, the said associate will progress from \$16.40/hr. to \$16.80/hr. after working 1040 hours. On 1/1/23, assuming the associate has worked 1600 hours, they will still be at \$16.80/hr. On 1/29/23, this associate will move to \$17.40/hr. The associate's progression step hours will not be reset due to the wage increase effective, 1/29/23. This associate after completing 1040 hours from their current progression step will increase to \$17.85/hr. In this scenario, this associate will get a \$1.45 increase after working 2080 hours.

- c. Would any of the principles you utilized in responding to the above scenario differ for years 2024 or 2025? If so, how?

- Your question is very hypothetical, however, if you are asking if the hours in the current progression steps will reset due to yearly wage increases, the answer is no.

3. A journeyman customer service clerk employed for 20 years at a store in the Colorado Springs unit earns \$16.58 per hour.

- a. Please confirm that under your proposal that employee will receive an increase of 17 cents on January 30, 2022 to \$16.75 per hour and move to the 6<sup>th</sup> step in the wage progression. Please confirm that employee will have 3,120 additional hours to work to get back to journeyman wages.

- You have called out an inadvertent mistake on our part. We propose customer service clerks in Denver, Colorado Springs and Pueblo bargaining units to move to the 7<sup>th</sup> progression step. In this case, this associate would move to \$17.20/hr. instead of \$16.75/hr. Therefore, this associate would only have to work 2080 hours

- b. Assume the employee works 1500 hours between January 30, 2022, and January 28, 2023. What will the employee's wage rate be on January 28, 2023? What will the employee's wage rate be on January 29, 2023? Will the employee's hours reset at any point after January 30, 2022?

– Under the current proposal, assuming the associate has worked 1500 hours, on 1/28/23 the associate's rate of pay would be \$17.20/hr. On 1/29/23, the associate would move to \$18.00/hr. No, the hours in current progression steps will not reset due to yearly wage increases.

4. Assume that on January 1, 2024, the minimum wage for Fort Collins were to increase to \$17.00 per hour.

- a. What would the wage progression look like on January 1, 2024, for Fort Collins Deli/Coffee/Cheese Shop Clerks?

– The company will adjust wages to be in compliance with the hypothetical minimum wage change.

- b. What would the wage progression look like on January 28, 2024, for Fort Collins Deli/Coffee/Cheese Shop Clerks?
- Again, the company will adjust wages to be in compliance with the hypothetical minimum wage change.

Sincerely,



Leroy D. Westmoreland  
Senior Labor Director