

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

ACTION ITEM

Item No.	5f
Date of Meeting	October 8, 2013

DATE: October 2, 2013

TO: Tay Yoshitani, Chief Executive Officer

FROM: Milton Ellis, Labor Relations Manager

SUBJECT: Collective Bargaining Agreement with the Pacific Northwest Regional Council of Carpenters 2013-2015.

Total Port Cost Increase for the Duration of the Agreement: \$162,835

Source of Funds: Marine Maintenance and Aviation Maintenance Department

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the Pacific Northwest Regional Council of Carpenters, Local 30, representing the Marine Maintenance and Aviation Maintenance Department, covering the period from January 1, 2013, through December 31, 2015, and affecting 24 positions, including regular full-time carpenters, millwrights, and piledriver employees.

SYNOPSIS

Good faith bargaining between the Pacific Northwest Regional Council of Carpenters, Local 30, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities. The estimated total additional cost for wages and benefit increases is \$162,835. The estimated additional cost per year of the contract is: year one, \$24,023; year two, 72,845; and year three, \$65,967.

The agreement provides for the calculation of Crew Chief/Foreman supervisory pay being tied to the full-time employees' rate of pay in each classification in the bargaining group, rather than in relation to contracted, temporary, or emergency employee pay, resulting in cost savings for the Port. The agreement provides a six-month probationary period for employees. The agreement also provides employees the ability to cash out vacation if they maintain a balance of 80 hours in their account. The agreement provides employees with extended illness leave, to be accrued at one half day per month, with an unlimited accumulation. The agreement requires employees to participate in the Port of Seattle direct deposit program. The agreement also provides for a reopener on health and welfare benefits if the hourly benefit rate increases above five percent from the previous year, for each year, for the term of the agreement.

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BACKGROUND

The Pacific Northwest Regional Council of Carpenters is a party to a Master Labor agreement with the Associated General Contractors of Washington. This bargaining group negotiates their wages and health and welfare benefits with the Associated General Contractors of Washington as reflected in their Master Labor Agreement. The Port of Seattle pays full-time equivalent (FTE) employees 88% of the wages negotiated in the Master Labor Agreement, and provides employees in this bargaining group with vacation and holidays. All emergency employees in this bargaining group are paid at 100% of that scale, but receive no vacation and holidays. The 24 employees in the bargaining unit are assigned to provide services at the Marine Maintenance Department and the Aviation Maintenance Division.

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and working conditions with the exclusive bargaining representative designated by the employees.

SCOPE OF THE AGREEMENT

Term of the Agreement

Retroactive to January 1, 2013, through December 31, 2015.

Wages

Wages paid at 88 percent of the Master Labor Agreement with the Associated General Contractors of Washington.

CLASSIFICATIONS	EFFECTIVE		
	June 1, 2013	June 1 2014	June 1 2015*
Carpenters	\$37.20	\$38.68	\$40.23
Millwrights	\$38.30	\$39.78	\$41.37
Piledrivers	\$37.45	\$38.93	\$40.49

- Port pays 88% on the basis of the Master Agreement
- Salary increases from the Master Labor Agreement are provided in June of each year of the agreement
- Salary increase for 2013 is 3.42%; 2014, 3.98% and * 2015 – estimated 4.0%.

Benefits

Pursuant to their Master Labor Agreement, if additional sums are needed to maintain fringe benefits cost, such increases may be deducted from the employee's wages by mutual consent.

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In addition, although health and welfare benefits are negotiated through the Carpenters Master Labor Agreement with the Associated General Contractors, the parties agreed to reopen negotiations to discuss methods of controlling increases to health insurance cost such as premium sharing or premium cap limits if the health insurance hourly rate cost exceeds five percent from one year to next for the term of the contract.

Pursuant to their Master Labor Agreement, if additional sums are needed to maintain fringe benefits cost, such increases may be deducted from the employee's wages by mutual consent.

Paid Leave

Extended Illness

Employees will be allowed to use extended illness leave for illness, injury, or disability of the employee or immediate family member, to be administered in a manner consistent with Port policy. Employees will be allowed to accrue extended illness leave at a rate of one half day a month with an unlimited accumulation.

Paid Time Off

Employees will be allowed to cash out vacation as long as they have a minimum of 80 hours accrued remaining after the cash-out.

Compound Crew Chief/General Foreman Pay

Crew Chiefs/General Foremen who supervise crews will now receive additional pay tied to the full-time equivalent of the classification supervised rather than rates of pay for temporary, emergency or contracted employees, which will result in cost savings for the Port.

Other Changes

- Six month probationary period
- Discipline or Suspension for Just Cause – time line extended from 15 to 30 workdays for the Port to commence disciplinary action against an employee
- Direct Deposit – employees are required, as a condition of employment, to participate in the Port's direct deposit program.

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FINANCIAL IMPLICATIONS

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$22,316	\$67,669	\$61,279
Benefits	\$1,707	\$ 5,177	\$ 4,688
Total	\$24,023	\$72,845	\$65,967

The estimated total additional cost to the Port for the duration of the contract is \$162,835.

Budget Status and Source of Funds

The increase in expense is included in the Marine Maintenance Department and Aviation Maintenance Division 2013 and 2014 budgets.

ATTACHMENTS TO THIS REQUEST

- Collective Bargaining Agreement with the Pacific Northwest Regional Council of Carpenters 2013-2015
- Letter of Sixty Five (as attachment to Collective Bargaining Agreement)

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.