

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5c

**ACTION ITEM**

**Date of Meeting** February 26, 2013

**DATE:** February 20, 2013

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Lisa Hornfeck, Labor Relations Manager

**SUBJECT:** Collective Bargaining Agreement between the Port of Seattle and the International Brotherhood of Electrical Workers, Local Union No. 46, representing utility workers.

**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 International Brotherhood of Electrical Workers, Local Union No. 46, representing utility workers covering a period from June 1, 2012, through May 31, 2017, and affecting seven (7) full-time equivalent (FTE) positions. The total estimated additional cost to the Port for the duration of the five-year contract is \$79,683.

**SYNOPSIS:**

The estimated total additional cost to the Port for wages and benefit increases, including paid time off, pension and estimated health care benefits, for the duration of the five year contract is \$79,683. The estimated additional cost per year of the contract is: year one, no increased cost; year two, \$16,567; year three, \$25,632; year four, \$16,559; year five, \$20,926. The average total compensation increase per employee per year is 2.4%.

Actual hourly wage increases in year two through five will be based on the Consumer Price Index for the Seattle-Tacoma-Bremerton area. The agreement provides for employee cost sharing for future medical expenses and premiums beginning June 1, 2014.

**BACKGROUND:**

This memorandum covers seven (7) utility workers in the Aviation Maintenance and Marine Maintenance Divisions. This work group provides lighting replacement at the Seattle Tacoma International Airport and Seaport, including cleaning of all types of lighting fixtures, lenses, and

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diffusers in luminous ceilings and all types of diffused ceiling or area lighting installations; and the replacement of lamps, tubes, diffusers, lenses, and similar equipment.

### **PROJECT JUSTIFICATION:**

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**

June 1, 2012 - May 31, 2017

#### **Wages**

Effective June 1, 2012, this collective bargaining agreement shall provide the following:

Effective June 1, 2012	No wage increase. Upon execution, one time lump sum payment of \$750.00 to each employee.
Effective June 1, 2013	The base wage rate shall be increased by the sum of <u>50%</u> of the percentage increase in the Consumer Price Index for Seattle-Tacoma-Bremerton with a minimum increase of not less than 0% nor more than 6%. The index used shall be the CPI-W covering the period December 2011 – December 2012.
Effective June 1, 2014	The base wage rate shall be increased by the sum of <u>80%</u> of the percentage increase in the Consumer Price Index for Seattle-Tacoma-Bremerton with a minimum increase of not less than 0% nor more than 6%. The index used shall be the CPI-W covering the period December 2012 – December 2013.
Effective June 1, 2015	The base wage rate shall be increased by the sum of <u>100%</u> of the percentage increase in the Consumer Price Index for Seattle-Tacoma-Bremerton with a minimum increase of not less than 0% nor more than 6%. The index used shall be the CPI-W covering the period December 2013 – December 2014.
Effective June 1, 2016	The base wage rate shall be increased by the sum of <u>100%</u> of the percentage increase in the Consumer Price Index for Seattle-Tacoma-Bremerton with a minimum increase of not less than 0%

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nor more than 6%. The index used shall be the CPI-W covering the period December 2014 – December 2015.

### **Pension**

The total estimated additional cost to the Port of this increase in the third year of the contract is \$14,864.

Effective June 1, 2014            The Port agrees to contribute pension for all hours compensated, a change from previously contributing for all hours worked. The hourly amount, \$4.50 to the Puget Sound Electrical Workers Pension Trust, is unchanged. The additional cost is \$8,262.

Effective June 1, 2014            The Port agrees to contribute annuity for all hours compensated, a change from previously contributing for all hours worked. The hourly amount, \$1.75 to the Puget Sound Electrical Workers Annuity, is unchanged. The additional cost is \$3,570.

### **Health and Welfare**

The parties agree to share responsibility for future health care cost increases. This collective bargaining agreement shall provide as follows:

Effective June 1, 2012            The Port shall contribute \$7.20 per hour worked per employee.

Effective June 1, 2013            The Port shall contribute a monthly contribution equivalent to \$7.20 x 155 hours for a monthly contribution = \$1116.00.

Effective January 1, 2014        The Port shall contribute a monthly contribution equivalent to \$7.45 x 155 hours for monthly contribution = \$1154.75. This amount shall constitute the Base Rate.

Effective June 1, 2014            Future increases to the \$1154.75 monthly contribution base rate shall be shared by the Port and the employee in the following way:

- The employee will contribute 50% of any hourly increase up to 10% of the total hourly base rate and the Port will contribute 50% of any hourly increase.

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- Once employee contributions have reached 10% of the total hourly base rate, future increases shall be split 10% paid by the employee and 90% paid by the Port.
- Employee share shall be paid through a pre-tax wage deduction.

### **Paid Time Off**

Effective June 1, 2013

Each employee's vacation accrual bank will be increased by 16 hours.

- Accrual rate increased by one week, increasing from four (4) weeks to five (5) weeks accrued vacation after twelve years of service.
- Additional cost to the Port during the second year of the contract is \$9,936.

### **Other Changes**

- Article 6.11 One week notice required for changes to shift times.
- Article 6.11.1 Changes to shift change notification does not apply to snow events.
- Article 8.3 Adopted the Port's Voluntary Cash-Out of Vacation policy.
- Article 10.4 Adopting the Port's policy for paid Jury Duty Leave.
- Article 18 Changed footwear reimbursement to one year stipend.
- Article 20 Emergency Situations.
  - In the event of a regional catastrophic event, contract compliance issues shall be held in abeyance.
- Various language clarifications covering maximum vacation accrual, definitions language, payment for 'high time' premium, holiday pay qualifications.

### **FINANCIAL IMPLICATIONS:**

The total estimated additional cost to the Port for the duration of the contract is \$79,683 for total wage and benefit increases.

### **BUDGET STATUS AND SOURCE OF FUNDS:**

The increase in expense is included in the Aviation and Marine Maintenance departments' 2013 operating budget.

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**OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

Collective Bargaining Agreement between the Port of Seattle and the International Brotherhood of Electrical Workers Local Union No. 46, representing utility workers.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.