

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d

ACTION ITEM

Date of Meeting February 26, 2013

DATE: February 19, 2013

TO: Tay Yoshitani, Chief Executive Officer

FROM: Kim Ramsey, Labor Relations Manager

SUBJECT: Collective Bargaining Agreement between the Port of Seattle and the IBEW Local Union No. 46, representing Electricians

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 IBEW Local Union No. 46, representing Electricians for June 1, 2012 through May 31, 2017, effecting 68 full-time equivalent (FTE) positions. The estimated combined total of annual cost increases to the Port for the duration of the contract is \$1,561,636.

SYNOPSIS:

Good faith bargaining between IBEW Local Union No. 46 and the Port resulted in a fair contract consistent with the Port's priorities. For the first time, this CBA provides a limit to the number of hours per month the Port pays a fixed per hour rate to cover medical benefits premiums. In addition, this CBA includes a cost sharing formula for employee contribution for medical premiums. A first year wage freeze moderates the base wage over the life of the agreement while providing annual, local indexed, 0-6% cost of living adjustments (COLA) for 2013, 2014, 2015, and 2016. Increases to pension contributions were also made consistent with employer contributions in the electrical construction industry. The CBA also includes lump sum payments and limited paid time off credits that were negotiated as part of a total package containing a number of Union concessions, including, but not limited to, increased weekend work schedules at straight time rates, and scheduling efficiencies. Cost increases for years 2, 3, 4 and 5 will be included in the operating budgets for the appropriate years.

BACKGROUND:

This CBA covers 68 electrician full-time equivalent (FTE) positions in the Aviation and Marine Maintenance departments.

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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

- For 2013, 2014, 2015 and 2016, base wage rates will increase by an amount equal to one hundred percent (100%) of the Seattle/Tacoma/Bremerton CPI-W (All Wage Earners), February to February, with a zero percent (0%) minimum and a six percent (6%) maximum;
- All employees shall receive a one-time \$1,100 lump sum payment to be paid following execution of the agreement along with one eight hour credit to employees paid time off (PTO) bank. An additional eight hour credit to employees PTO will be made January 2014; and
- On February 2, 2013, 2014, 2015 electricians on bid weekend schedules shall receive a lump sum payment of \$1,500 (or \$1,100 and one eight hour PTO credit).

Benefits

- Effective June 1, 2012, contribution increase of \$0.90 per hour to the Puget Sound Electricians Pension Trust (to \$4.95) and \$0.30 per hour increase to the Pacific Coast Annuity (to \$2.05);
- Effective June 1, 2013 the Port will contribute \$7.45 per hour (base rate) calculated at 155 hours per month per employee, an increase of \$0.25 per hour over the 2011 established rate;
- Effective June 1, 2014 any increase over \$7.45 per hour base rate will be born equally by the Port and the employee up to employee contribution of 10% of the total base rate, increases thereafter will be 90% Port contribution / 10% employee contribution. These benefits cover medical, dental and vision; and
- Consistent with other maintenance groups at the Port, \$100 annual safety footwear stipend.

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Hours of Work

- This CBA introduces, for the first time, the opportunity of Aviation Division electricians to work 4x10 schedules;
- New language that provides increased flexibility to add shifts for weekend coverage. Anticipated savings in annual overtime costs for weekend coverage is \$90,000; and
- Clarification that premium pay for certain days applies when changed work schedules results in less than two consecutive days off.

Leave Benefits

- Incorporated leave provisions consistent with current HR-5 including accrual rates for Paid Time Off and Extended Illness leave (formerly included as an appendix).

Training and Development

- Supporting language for bargaining unit employees to participate in the Port's annual internal internship program;
- Establishment of a new jointly managed IBEW Local Union No. 46/Port of Seattle Electricians Training Fund, funded by a restructure of the current \$.58/hour contribution to the JATC that provides, newly \$.20/hour contribution to the JATC and \$.38/hour to the new fund; and
- New language that provides for consideration of employee requests for tuition reimbursement in the annual budget process.

Other Changes

- Direct Deposit requirement; and
- Union commitment to hold labor agreement compliance issues in abeyance during any regional catastrophic event.

Other

- The CBA additionally includes various non-substantive language clarifications and housekeeping changes.

FINANCIAL IMPLICATIONS:

| Cost Impact | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Labor | \$ 139,813 | \$ 203,667 | \$ 209,777 | \$ 216,070 | \$ 222,552 | \$ 991,877 |
| Benefits | \$ 195,776 | \$ 171,726 | \$ 68,390 | \$ 69,638 | \$ 64,228 | \$ 569,758 |
| Total | \$ 335,589 | \$ 375,393 | \$ 278,167 | \$ 285,708 | \$ 286,780 | \$ 1,561,636 |

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The estimated combined total of annual wage and benefit cost increases to the Port for the duration of the contract is \$1,561,636. Costing estimates assume a 3% COLA in contract years 2, 3 and 4. Actual medical benefit cost increases are 0% in year 1 and 3.5% in year 2; estimates for years 3 and 4 are based on a 3.5% rate increase borne equally between the Port and employee, or 1.75% increase to the Port's contribution rate.

BUDGET STATUS AND SOURCE OF FUNDS:

The increase in expense is included in the Aviation Maintenance and Marine Maintenance 2013 operating budgets and will be included in future operating budgets.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Collective Bargaining Agreement between the Port of Seattle and the International Brotherhood of Electrical Workers Local 46 representing Electricians.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.