

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

**COMMISSION AGENDA**  
**ACTION ITEM**

<b>Item No.</b>	<u>5f</u>
<b>Date of Meeting</b>	<u>May 14, 2013</u>

**DATE:** May 7, 2013

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

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

**SUBJECT:** New Collective Bargaining Agreement between the Port of Seattle and Teamsters Local No. 117 representing Rental Car Facility Bus Drivers.

**Total Port Cost Increase for the Duration of the Agreement:** \$791,410

**Source of Funds:** Rental Car Facility Transit Operations operating budget

**ACTION REQUESTED:**

Request Commission authorization for the Chief Executive Officer to execute a new collective bargaining agreement between the Port of Seattle and the Teamsters Local Union No. 117, representing the Rental Car Facility Bus Drivers, covering a period from March 15, 2013, through March 14, 2016, and affecting 65 positions, including full-time, part-time, and relief drivers.

**SYNOPSIS:**

Good faith bargaining between Teamsters Local No. 117 and the Port of Seattle resulted in a fair first collective bargaining agreement consistent with the Port's priorities. The estimated total additional cost for wages and benefit increases, including paid time off, pension and estimated health care benefits, for the duration of the three-year agreement is \$791,410. The estimated additional cost per year of the contract is: year one, \$455,454; year two, \$178,182; and year three, \$157,774. The increased estimated cost the first year of the contract is largely due to extension of health and welfare benefits to previously ineligible qualifying relief drivers.

The agreement provides prorated paid leave benefits for relief drivers and health and welfare benefits for drivers compensated for at least 80 hours the previous month. Qualifying employees shall contribute to the cost of the health benefit premiums effective June 1, 2013. Prior to this agreement, relief drivers – drivers without a set schedule – have been ineligible for medical or leave benefits, regardless of how many hours they work per month.

The agreement also provides for yearly performance evaluations that shall be used for promotional purposes within the bargaining unit. Further, due to the seasonal nature of the rental car industry and to provide the best service, the agreement provides for temporary seasonal drivers May through September. These temporary drivers will not be seniority or benefit eligible.

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### **BACKGROUND:**

The Public Employment Relations Commission certified this bargaining unit as represented by the Teamsters Local No. 117 on June 26, 2012. There are 65 positions in the bargaining unit, including full-time, part-time, and relief bus drivers. The parties have concluded negotiations and seek authority for execution of the first collective bargaining agreement.

### **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:**

Retroactive to March 15, 2103, through March 14, 2016.

#### **Wages:**

Effective March 15, 2013, this collective bargaining agreement shall provide the following wage scale:

<b>Rental Car Facility Bus Drivers Wage Scale – Effective March 15, 2013</b>	
Entry	\$17.30
6-12 mo	\$17.91
Year 1	\$18.85
Year 2	\$19.65
Year 3	\$20.56
Year 4	\$21.31
Year 5	\$22.06

Depending on their hiring date, the drivers are between the entry level wage and the Year 1 wage rate, with the majority, hired April 5, 2012, at the Year 1 rate of \$18.85.

The total estimated additional cost to the Port for wages only, not including benefits, for the duration of the three-year agreement is \$248,162. The estimated cost per year of the contract is, year 1, \$93,727; year 2, \$86,700; and year 3, \$67,734.

#### **Benefits:**

#### **Health and Welfare:**

The parties agree to participate in responsibility for health care costs. The collective bargaining agreement shall provide as follows:

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**Effective June 1, 2013** (based on May hours), or as soon as possible thereafter:

The Port agrees to pay to the Washington Teamster Welfare Trust for every employee covered by this agreement who is compensated for 80 hours or more in the preceding month the following:

- Health and Welfare – Contribute the sum of \$1,187.35 per month for continued benefits under “PLAN A” (price includes an additional \$14.00 for domestic partner coverage).
- Dental – Contribute the sum of \$132.70 per month for continued benefits under “PLAN A” (price includes an additional \$2.20 for domestic partner coverage).
- Vision – Contribute the sum of \$15.10 per month for continued benefits under “EXTENDED BENEFITS” (price includes an additional \$0.20 for domestic partner coverage).

Each employee shall contribute the following per month toward the cost of the plans:

- Effective June 1, 2013           \$30.00/per month
- Effective June 1, 2014           \$40.00/per month
- Effective June 1, 2015           \$50.00/per month

The total estimated additional cost to the Port for Health and Welfare benefits, with an estimated 10% cost increase the second and third year of the contract, is \$534,108. The additional cost per year of the contract is, year 1, \$382,74; year 2, \$71,765; and year 3, \$79,602.

Currently, relief drivers, who do not work a set schedule, are ineligible for health and welfare benefits regardless of the number of hours they work per month. The increase benefit cost the first year of the contract is due to extension of health and welfare benefits to qualifying relief drivers.

### **Pension:**

The Port and eligible employees shall continue to contribute to the PERS program per policy and state law.

### **Paid Leave:**

The agreement provides for significantly reduced paid leave from the current rates contained in the non-represented leave policy. The agreement establishes one paid leave bank to cover sick leave and vacation. The agreement extends leave benefits to relief drivers, who were previously deemed ineligible for leave benefits under the non-represented leave policy.

New accrual rates, effective as soon as practical after execution:

- 0 – 59<sup>th</sup> month           .0577 per compensated straight time hour (120 hours per year)
- 60<sup>th</sup> – 143<sup>rd</sup> month       .0769 per compensated straight time hour (160 hours per year)

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After 144<sup>th</sup> month .0961 per compensated straight time hour (200 hours per year)

The additional cost of extending leave benefits to the relief drivers is offset by the reduction in leave accrual, saving the Port an estimated \$29,337 the first year of the contract.

### **Other Provisions:**

- Article 3, Management Rights Clause
- Article 6, Pay Periods
  - Every two weeks
  - Mandatory Direct Deposit
- Article 10, Performance Evaluations
  - To be performed yearly
  - To be used, in conjunction with seniority, for promotion
  - Content of evaluations not subject to the grievance process
- Article 11, Seniority
  - Probationary period 180 days
  - One seniority list for purpose of shift and vacation bidding and reduction in force
- Article 12, Hours of Work and Overtime
  - Half hour unpaid meal period
  - Reporting pay of minimum four hours straight time
  - Overtime shall be paid at one and one-half (1½) times employee's regular rate of pay.
- Article 13, Scheduling and Bid Process
- Article 14, Definitions and Rates of Pay
  - Shift differentials
    - Swing Shift additional 7.5%
    - Graveyard additional 10%
- Article 15, Holidays
  - Ten paid holidays
  - Part-time and relief drivers receive pro-rated holiday pay based on the previous four (4) pay periods
- Article 18, Life Insurance, Long Term Disability and Accidental Death and Dismemberment
  - Seniority eligible employees shall receive benefits under the Port plans
  - Provisions of the plans are not subject to the grievance process or negotiations
- Article 19, Bereavement Leave
  - Up to five (5) days leave, three (3) days compensated leave, two (2) days uncompensated leave
  - Pro-rated leave for part-time and relief drivers
- Article 20, Jury Duty and Court Time

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- Article 21, Military Leave and Notification
- Article 24, Disciplinary Matters
  - Just Cause required for discipline
  - Parties recognize progressive discipline
  - Probationary and Seasonal Temporary drivers are at-will
  - Discipline shall be issued within twenty-eight (28) calendar days from the time of notification of the incident or violation
  - Disciplinary notices sunset after 18 months if there is no further discipline, however disciplinary notices may be relied upon for proving notice of policy and/or consequences of violating the policy
- Article 25, Grievance Procedure
  - Written or verbal warnings are not grievable
  - Provision for mediation and expedited arbitration
- Article 26, No Strikes or Lockouts
- Article 31, Examinations
  - Port shall pay for medical examinations to maintain the employee's commercial driver's license
- Article 32, Parking
  - Port provided free during work hours or parking for Port business
- Article 33, Emergency Situation
  - Parties agree that in the case of a regional catastrophic event all contract compliance issues will be held in abeyance
- Article 34, Transfer of Work/Subcontracting

### **FINANCIAL IMPLICATIONS:**

The estimated total additional cost to the Port for the duration of the contract is \$791,410.

### ***Budget Status and Source of Funds:***

The increase in expense is included in the Rental Car Facility Transit Operations 2013 operating budget and will be included in future operating budgets.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

December 4, 2013, the Commission authorized an MOU regarding probationary period.