

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

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

**Item No.** 5d  
**Date of Meeting** January 28, 2014

**DATE:** January 21, 2014 January 22, 2014

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

**FROM:** Kim Ramsey, Labor Relations Manager

**SUBJECT:** Collective Bargaining Agreement between the International Brotherhood of Teamsters Local Union No. 763 representing Port of Seattle Police Commanders

**Amount of This Request:** \$67,484

**Source of Funds:** Police Department Operating Budgets 2013, 2014, and future operating budgets of the Police 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 International Brotherhood of Teamsters, Local Union No. 763, covering the period from January 1, 2013, through December 31, 2015, affecting six Police Commander positions.

**SYNOPSIS**

Good faith bargaining between the Port of Seattle and Teamsters, Local Union No. 763 resulted in a fair collective bargaining agreement consistent with the Port's priorities. The estimated total additional cost for wage and benefit increases is \$67,484. The estimated additional cost per year of the contract is: year one, \$25,854; year two, \$19,687; and year three, \$21,943.

In 2013, the agreement provides a lump sum cash payment equal to a 2.5% increase in salary in place of a cost of living increase. In 2014, there is a 2% increase in base salary. In 2015, there is a cost of living adjustment (COLA) based on the Seattle/Tacoma/Bremerton October 2013 – October 2014 CPI-U Index with a minimum of 0% and a maximum of 6%.

Health care benefit costs increase to maintain coverage under the union's health and welfare plan, effective January 1, 2014, with a premium share increase to \$75.00 per month per employee. The parties agreed to a "me too" clause for medical benefits for 2015 according to the terms the Port negotiates with Teamster's Local Union No. 117 for Police Sergeants. The Port

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agreed to provide two, time limited, voluntary retirement incentives under the terms of HR-10 in lieu of one layoff that will eliminate a position and to provide additional salary savings over the life of the agreement and in future years.

### **BACKGROUND**

Employees in the Police Commander bargaining unit are a part of the Police Department's leadership team and provide command level supervision to Police Sergeants and Officers as well as command level program management for the department. 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**

January 1, 2013 – December 31, 2015.

#### **Wages**

Classification	Base Monthly Salary 2013	Effective 1/1/2014 Base Monthly Salary (+2.0%)	Effective 1/1/2015 COLA Seattle/Tacoma/Bremerton CPI-U Oct.2013- Oct. 2014 Index (0-6%)
Police Commander	\$10,261.33	\$10,466.56	TBD

#### **Salary Compression**

Salary differential will be maintained at a level which is at least 20% above the base rate of pay for the Port Police Sergeant "A" Classification.

#### **Article 12 Jury Duty**

Language modified to clarify expectation of employees who are released from jury duty during scheduled work hours to return to work or take vacation time for balance of daily shift hours.

#### **Article 25 Health and Welfare**

Effective January 1, 2014, employees will pay \$75.00 premium share; "me too" with Teamsters Local Union No. 117 POS Sergeants for 2015.

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## **FINANCIAL IMPLICATIONS**

Contract Increases:

Cost Impact	Year 1	Year 2	Year 3	Total Cost of Contract
Labor	\$23,320	\$16,328	\$16,654	
Benefits	\$2,534	\$3,359	\$5,288	
Total	\$25,854	\$19,687	\$21,943	\$67,484

The estimated total additional cost to the Port for the duration of the contract is \$63,754 based on an assumption of 2% COLA in year three and 8% increase in employer paid medical premiums.

Estimated Retirement Incentive Cost - based on 2 employees with 30 years of service and maximum accrued vacation balances.

Estimated Savings - based on reduction of one FTE and filling of one vacancy with a lower longevity employee.

Cash Incentive (1 week / per year of service)	Vacation Cash-out and Sick (50%) Cash-out	Savings over Life of Contract	Net Savings over Life of Contract
\$173,563	\$108,422	\$354,949	\$72,216

Estimated ongoing savings associated with reduction in force is \$170,000 annually based on current entry rate plus benefits.

## **ATTACHMENTS TO THIS REQUEST**

Collective Bargaining Agreement between the Port of Seattle and the Teamsters Local Union No. 763 representing Police Commanders.

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.