

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	4d
Date of Meeting	November 4, 2014

DATE: October 29, 2014

TO: Theodore J. Fick, Chief Executive Officer

FROM: Milton Ellis, Labor Relations Manager

SUBJECT: Collective Bargaining Agreement between the Port of Seattle and the International Brotherhood of Electrical Workers, Local No. 46, representing Electronic Technicians.

Total Port Cost Increase for the Duration of the Agreement: \$409,522.

Source of Funds: 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 International Brotherhood of Electrical Workers, Local No. 46, covering the period from June 1, 2014, through December 31, 2017, and affecting 53 positions, including Electronic Technicians employees.

SYNOPSIS

Good faith bargaining between the International Brotherhood of Electrical Workers, Local No. 46, 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 \$409,522. The estimated additional cost per year of the contract is: year one, \$161,146; year two, \$128,540; and year three, \$119,866.

The agreement provides for the employees' paying for the first time a portion of their health insurance premium of approximately \$69.75 per month or 5.4% of the monthly premium contribution. In addition, employees will have twenty cents (\$0.20) per compensated hour deducted from their wages for the term of the contract, which will be applied toward the cost of their supplemental pension rehabilitation plan (IBEW Pacific Coast Pension Plan). The agreement allows employees to cash out their vacation provided they have a minimum of two weeks remaining. Employees will be eligible to apply for Tuition Reimbursement in the third year of the agreement pursuant to the Port's Employee Learning and Development Policy. The agreement increases the employee footwear allowance from \$80 to \$100 per year. The agreement revises the non-discrimination clause to comply with state and federal law. Employee wages were maintained at market.

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BACKGROUND

The International Brotherhood of Electrical Workers, Local No. 46, consists of 53 Electronic Technicians. These employees are assigned to Aviation Maintenance and are assigned to assist with electrical systems. This agreement is for three years covering the period from June 1, 2014, through May 31, 2017. The previous agreement expired on May 31, 2014. 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 June 1, 2014, through December 31, 2017.

Wages

Effective June 1, 2014, this Collective Bargaining Agreement shall provide the following:

Effective June 1, 2014: 2.5% hourly wage increase, to \$43.93

Effective June 1, 2015: Base wage rates shall be increased by the sum of one-hundred percent (100%) of the percentage increase in the Consumer Price Index for Seattle with a minimum increase of not less than zero percent (0%) nor more than six percent (6%).

Effective June 1, 2016: Base wage rates shall be increased by the sum of one-hundred percent (100%) of the percentage increase in the Consumer Price Index for Seattle with a minimum increase of not less than zero percent (0%) nor more than six percent (6%).

Health and Welfare

On the basis of the Health and Welfare employee premium share formula in the agreement, June 1, 2014, employees will be contributing \$69.75 per month toward the cost of premium health care which amounts to 5.4%.

This is based upon the IBEW Inside Construction Agreement, which provides for an annual monthly premium amount of \$1,294.25 effective June 1, 2014. The employer's monthly contribution cap is \$1,154.75. On the basis formula, increases above the employer cap are split 50/50 up to employee contribution of 10% of the hourly base rate, upon which the employee will pay 10% and the employer 90%. Future health premium increases during the contract term will be apportioned on the basis of the formula.

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Pension

The IBEW Pacific Coast Supplemental Pension Plan is under a Rehabilitation Plan. The Port contributes \$0.50 per compensated hour per employee to the plan. The rehabilitation schedule at the time of the settlement increases the contribution to \$1.02 per compensated hour (\$0.50 X 213).

Pursuant to the Pension Protection Act, the parties were required to select another Alternative Schedule on the basis of the Rehabilitation Plan. This Schedule amounts to an increase of \$0.40 per compensated hour, of which the employees will pay half (\$0.20 per compensated hour) by way of a wage reduction. The total contribution amount therefore will be \$1.42 per compensated hour with the employee contributing \$0.20 per compensated hour.

Vacation Cash Out

Employees will be able to cash out vacation provided they have a balance of two weeks remaining.

Tuition Reimbursement

Employees will be able to apply for tuition reimbursement effective the third year of the agreement pursuant to the Port's Employee Learning and Development Policy

Footwear Allowance

Employee annual footwear allowance increased from \$100 to \$120 a year.

Other Changes

- Non-Discrimination Clause – updated to comply with state and federal law.
- Memorandum of Understanding on Existing Infrastructure renewed

FINANCIAL IMPLICATIONS

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$133,128	\$109,165	\$111,348
Benefits	\$ 28,019	\$ 19,375	\$ 8,518
Total	\$161,146	\$128,540	\$119,866

The estimated total additional cost to the Port for the duration of the contract is \$409,552.

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Budget Status and Source of Funds

The increase in expense is included in the Marine Maintenance Department and Aviation Maintenance Division 2014 and 2015 budgets.

ATTACHMENTS TO THIS REQUEST

Collective bargaining agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None