

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

**COMMISSION AGENDA**

**ACTION ITEM**

<b>Item No.</b>	4c
<b>Date of Meeting</b>	October 13, 2015

**DATE:** October 6, 2015

**TO:** Ted Fick, Chief Executive Officer

**FROM:** Dave Freiboth, Senior Director of Labor Relations  
Mikel O'Brien, Labor Relations Manager

**SUBJECT:** New collective bargaining agreement with the International Brotherhood of Teamsters, Local Union No. 117, representing Credential Specialists.

**Total Port (Estimated) Cost Increase for the Duration of the Agreement:** \$51,474.

**Source of Funds:** Aviation Security 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. 117, covering the period from July 1, 2015, through June 30, 2018, and affecting 10 positions, including Credential Center Receptionist and Credential Specialists.

**SYNOPSIS**

Good faith bargaining between the International Brotherhood of Teamsters, Local 117, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities. This agreement is for three years covering the period from July 1, 2015, through June 30, 2018. The estimated total additional cost for wages and benefit increases is \$51,474. The estimated additional cost per year of the contract is: year one, \$12,112, year two, \$19,166 and year three, \$20,197.

The agreement provides for an increase in the employee's share of the health insurance premium in 2016 bringing the total to \$75/month for all employees. It also includes new language to address Affordable Care Act (ACA) issues that may arise. The Port will continue to contribute to the Washington Teamsters Welfare Trust for medical, dental and vision benefits.

The Port has been contributing \$94.85/month per employee to the Teamster Retiree Welfare Trust. Effective January 1, 2016, the Port and the employee will each contribute ½ of the premium.

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Time was spent in negotiations discussing the new badge system that was implemented in 2014 and the changes in technology and the credentialing process that have evolved since the contract was last negotiated.

### **BACKGROUND**

International Brotherhood of Teamsters, Local 117, represents a bargaining unit of 1 Credential Center Receptionist and 9 Credential Specialists. These employees work in the Credential Center at the Airport and are in the Aviation Security Department. The previous agreement expired on June 30, 2015. 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**

July 1, 2015, through June 30, 2018

#### **Wages:**

Effective July 1, 2015:

Base wage rates shall be increased by the sum of one-hundred percent (100%) of the Consumer Price Index for Seattle, Tacoma, Bremerton (CPI-U) 2014 annual average, with a 0% minimum and a 6% maximum.

Effective January 1, 2016:

Base wage rates shall be increased by \$0.43/hour.

Effective July 1, 2016:

Base wage rates shall be increased by the sum of one-hundred percent (100%) of the Consumer Price Index for Seattle, Tacoma, Bremerton (CPI-U) 2015 annual average, with a 0% minimum and a 6% maximum.

Effective July 1, 2017:

Base wage rates shall be increased by the sum of one hundred percent (100%) of the Consumer Price Index for Seattle, Tacoma, Bremerton (CPI-U) 2016 annual average, with a 0% minimum and a 6% maximum.

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### **Health and Welfare**

Employees in the bargaining group are currently enrolled in the Washington Teamsters Welfare Trust. Employees will continue to contribute fifty dollars (\$50) per month toward their health and welfare monthly premium amount through December of 2015. Effective January 1, 2015, the employee paid premium amount will increase to seventy-five (\$75) per month. The current monthly premium rate for employees in the bargaining unit is \$1,315.90.

### **Retiree Welfare Trust**

The Port will continue paying the full premium of \$94.85/month through December 31, 2015. Effective January 1, 2016, employees will begin paying one half (1/2) of the premium.

### **Pension**

The employees are in PERS and also receive a \$1.35/hour contribution to the Western Conference of Teamsters Pension Trust. This contribution will increase to \$1.42/hour on January 1, 2016.

The new agreement includes changes to the pension contribution language that will simplify the pension payment process for the Port.

### **PTO/EI/Holidays**

The PTO Cash Out section was updated reflecting employees may cash out PTO according to the limits and procedures as established by the Port for non-represented employees.

### **Other Changes**

- The Equal Employment Opportunity and Non-Discrimination clause was updated.
- The Business Representative Access article was changed.

## **FINANCIAL IMPLICATIONS**

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$7,873	\$8,971	\$9,736
Benefits	\$ 4,239	\$ 10,195	\$ 10,460
Total	\$ 12,112	\$19,166	\$ 20,197

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The estimated total additional cost to the Port for the duration of the contract is \$51,474.

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

The increase in expense is included in the Aviation Security 2015 budget.

### **ATTACHMENTS TO THIS REQUEST**

- Collective bargaining agreement

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

- None