

PORT OF SEATTLE
MEMORANDUM


COMMISSION AGENDA

ACTION ITEM

Item No.	4c
Date of Meeting	April 12, 2016

DATE: April 6, 2016

TO: Ted Fick, Chief Executive Officer

FROM: David Freiboth, Senior Director of Labor Relations
Milton Ellis, Labor Relations Manager
Greg Gauthier, Labor Relations Manager 

SUBJECT: New collective bargaining agreement with the Pacific Northwest Regional Council of Carpenters, representing carpenters.

Total Port Cost Increase for the Duration of the Agreement: \$238,058

Source of Funds: Marine Maintenance and 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 Pacific Northwest Regional Council of Carpenters, Local 30, representing the Marine Maintenance and Aviation Maintenance Department, covering the period from January 1, 2016, through December 31, 2018, and affecting 37 positions, including regular full-time carpenters, millwrights, and piledriver employees.

SYNOPSIS

Good faith bargaining between the Pacific Northwest Regional Council of Carpenters, Local 30, 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 January 1, 2016, through December 31, 2018. The estimated total additional cost for wages and benefit increases is \$238,058. The estimated additional cost per year of the contract is: year one, \$58,305; year two, 92,381; and year three, \$87,373. The cost is based upon a 2.6 percent increase in wages in year one and a 4.0% increase in wages in year two as provided in the Associated General Contractors of Washington agreement and we estimate a 4.0% increase in year three. In addition, the cost consists of no increase in health insurance in years one and two as provided in the Associated General Contractors of Washington agreement and we estimate no increase in health insurance in year three since the rate has remained the same within the last six years.¹

¹ Associated General Contractors of Washington wages and health insurance rates are attached.

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The agreement provides for an adjustment in the paid time off accrual to align with Port policy. In addition, the limits on paid time off accumulation were modified from a 24 month accrual to 480 hours to align with Port policy. Paid Time Off accrual for emergency employees was modified for emergency employees who convert to regular employees to determine their appropriate paid time off accrual rate within the previous 180 days. In the latter instance, the emergency employees would not earn accruals for the time that they were emergency employees. Voluntary cash out procedures were modified to comport with those of non-represented employees. The bereavement leave provision was modified to align with Port policy which requires employees to have been employed for (30) days before qualifying for bereavement leave. The agreement also provides for Affordable Care Act protections.

BACKGROUND

The Pacific Northwest Regional Council of Carpenters is a party to a Master Labor agreement with the Associated General Contractors of Washington. This bargaining group negotiates their wages and health and welfare benefits with the Associated General Contractors of Washington as reflected in their Master Labor Agreement. The Port of Seattle pays full-time equivalent (FTE) employees eighty-eight percent (88%) of the wages negotiated in the Master Labor Agreement, and provides employees in this bargaining group with vacation and holidays. All emergency employees in this bargaining group are paid at 100% of that scale, but receive no vacation and holidays. The 37 employees in the bargaining unit are assigned to provide services at Marine Maintenance Department and the Aviation Maintenance Division.

SCOPE OF THE AGREEMENT

Term of the Agreement

Retroactive to January 1, 2016, through December 31, 2018.

Wages:

Wages paid at eighty-eight percent of the Master Labor Agreement with the Associated General Contractors of Washington.

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CLASSIFICATIONS	EFFECTIVE		
	June 1, 2016	June 1 2017	June 1 2018*
Carpenters	\$41.42	\$43.07	\$44.79
Millwrights	\$42.92	\$44.57	\$46.35
Piledrivers	\$41.67	\$43.32	\$45.05

- Port pays eighty-eight percent (88%) on the basis of the Master Agreement
- Salary increases from the Master Labor Agreement are provided in June of each year of the agreement
- Salary increase for 2016 is 2.6%; 2017, 4.0% and * 2018 – estimated 4.0%.

Health and Welfare:

The contract provides for any Affordable Care Act protections stating that if the Carpenter's Trust is subject to an excise penalty, the parties will meet and discuss the impact.

Paid Leave

Paid Time Off – Rates of Accrual

The paid time off accrual rates were modified to align with Port policy.

Limits on Accumulating Paid Time Off

The twenty-four (24) months limit on paid time off accrual was modified to 480 hours to align with Port policy.

Paid Time Off Accruals for Emergency Employees who convert to Regular Employees

Emergency employees who convert to regular employees will only have their hire date adjusted for purposes of determining their appropriate paid time off accrual rate, rather than earning accruals for their time spent as an emergency employee.

Voluntary Cash-Out of Paid Time Off Hours

Procedure for cashing out paid time leave was modified to align with port policy reflecting the same process followed by non-represented employees.

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Other Changes

- Waiting period of thirty (30) days to qualify for bereavement leave for new employees
- Non-discrimination language was updated to comport with state and federal law
- Elimination of long-term care benefit that is no longer offered by the Port.

FINANCIAL IMPLICATIONS

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$45,198	\$77,242	\$81,164
Benefits	\$13,107	\$15,138	\$ 6,209
Total	\$58,305	\$92,381	\$87,373

The estimated total additional cost to the Port for the duration of the contract is \$238,058.

Budget Status and Source of Funds

The increase in expense is included in the Marine Maintenance Department and Aviation Maintenance Division 2016 budgets.

ATTACHMENTS TO THIS REQUEST

- (1) Carpenter Classifications and Wages
- (2) Draft Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None