

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

**COMMISSION AGENDA**

**ACTION ITEM**

<b>Item No.</b>	4c
<b>Date of Meeting</b>	September 13, 2016

**DATE:** September 6, 2016

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

**FROM:** David Freiboth, Senior Director of Labor Relations  
Kim Ramsey, Labor Relations Manager

**SUBJECT:** New collective bargaining agreement with the International Association of Machinists and Aerospace Workers, Local 289, representing Inventory Specialists

**Total Port Cost Increase for the Duration of the Agreement:** \$120,559

**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 Association of Machinists and Aerospace Workers, Local 289, covering the period from January 1, 2016, through December 31, 2018, and affecting 11 Aviation Maintenance Inventory Specialists.

**SYNOPSIS**

The Port and the International Association of Machinists and Aerospace Workers, Local 289 worked collaboratively and in good faith to reach this successor CBA designed to meet the shared priorities of the parties. This three year CBA covers the period from January 1, 2016, through December 31, 2018. The estimated total additional cost for wages and benefit increases is \$120,559. The estimated additional cumulative cost per year of the contract is: year one, \$20,110; year two, \$33,345; and year three, \$67,103.

The base wage for Inventory Specialists is currently seven percent (7%) below market based the average of seven local public sector employers with comparable positions and published private sector wage data for comparable positions. For that reason the agreement includes annual cost of living increases as well as market adjustments that total 7% over the life of the agreement. Additionally, employees will transition from a high premium, 100% coverage medical plan to a lower premium 80/20 plan comparable to the Port's Cigna Deductible Plan. With this agreement, 43% of represented employees (6 of 21 bargaining groups) will be on a medical plan similar in plan design to the Port's Cigna Deductible Plan with respect to co-insurance.

Additionally, the Parties made agreements to modify the existing CBA to update out dated provisions.

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### **BACKGROUND**

Employees represented under this collective bargaining unit work in the distribution center located adjacent to Sea-Tac Airport. They are responsible for the procurement of maintenance materials and services to support 14 aviation maintenance crafts and provide materials management of a central distribution center and 32 satellite storerooms. The position of inventory specialist encompasses three key areas of responsibility: procurement, craft support and warehouse. 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, 2016, through December 31, 2018.

#### **Wages:**

Upon implementation

Each bargaining unit employee shall receive a one-time lump sum payment in the amount of \$800

Effective January 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) October 2013 to October 2014, with a 0% minimum and a 6% maximum plus 1.8%.

Effective January 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) October 2014 to October 2015, with a 0% minimum and a 6% maximum plus 3%.

Effective January 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) October 2015 to October 2016, with a 0% minimum and a 6% maximum plus 2.2%.

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### **Health and Welfare**

Upon implementation employees will transition to IAM Plan 15 Medical (an 80/20 plan) and retain current IAM dental and vision plans as follows:

BENEFIT	RATES
Machinist H&W Plan 15	
Employee	\$588.33
Employee/Spouse	\$1323.73
Employee/Family	\$1853.24
Employee/Child(ren)	\$1117.84
Vision Services Plan 1	\$11.81
Dental	\$174.46*

\*new rate may apply after 9/2016

The Port agrees to pay one hundred percent (100%) of premiums for IAM Plan 15 for Plan year 2016-2017 and 2017-2018.

Increases in premiums for Machinist Plan 15 for Plan year 2018-2019 shall be shared on the basis of medical coverage designation as follows:

Employee Only	\$25/month
Employee/Spouse or Child(ren)	\$50/month
Employee/Family	\$75/month

### **Other Changes**

- **Modifications in Article 1 – Recognition, Scope and Hiring** - adds language referencing employee rights under RCW 41.56 and establishes a six (6) month probationary period.
- **Modification in Article 5 – Seniority** – adds language clarifying leave approval process
- **Modifications in Article 7 – Safety and Sanitary Conditions** – increases annual safety shoe allowance from \$100 to \$120 consistent with other maintenance crafts.
- **Modifications in Article 14 – Rates of Pay** – establishes upon implementation a working lead with expanded duties with a 10% pay premium and excludes the lead from the forklift training instructor premium.
- **Modifications in Article 15 – Additional Shifts** – updates start times ranges for day shift and second shift.

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- **Modifications in Article 18 – Learning and Development** – adds language that supports employee participation in internal internship program
- **Modifications in Article 19 – Leaves** – consolidates under one article paid and unpaid leave benefits under current Port policy
- **Modifications in Article 28 – Non-Discrimination** – updates language to current Port standard
- **MOU** – maintains red circle rate for senior employee that continues to provide supervisory responsibilities (no change from prior contract)
- Other non-monetary housekeeping changes

### **APPENDIX A – PAY RATES**

Job Title	Eff. Date	New Hourly Rate
DC Inventory Specialist, Probationary	Upon implementation	\$ 25.11
DC Inventory Specialist	1/1/16	\$ 25.88
DC Inventory Specialist, Lead	1/1/16 to implementation of Article 14 (b), see below	\$ 27.17
DC Inventory Specialist, Lead	Upon Implementation Per Article 14 (b)	\$ 28.47

### **CURRENT RATE**

Job Title	Employees	Average Pay (Hourly)	Minimum Pay (hourly)
DC Inventory Specialist	11	\$25.47	\$ 25.13

The new agreement brings the minimum rate to \$25.31. These employees work 40 hours per week.

### **FINANCIAL IMPLICATIONS**

Cost Impact	Year 1	Year 2	Year 3	Totals
Labor	24,219	\$38,364	\$62,767	<b>\$125,350</b>
Benefits	-\$4,109	-\$5019	\$4,336	<b>-\$4,792</b>
<b>Totals</b>	<b>\$20,110</b>	<b>\$33,345</b>	<b>\$67,103</b>	<b>\$120,558</b>

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The estimated total additional cumulative cost to the Port for the duration of the contract is \$120,558.

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

The increase in expense is included in the Aviation Division 2016 budget; to be included in 2017 and 2018 budgets.

### **ATTACHMENTS TO THIS REQUEST**

- Collective bargaining agreement

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

- None.