

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

**COMMISSION AGENDA**

**ACTION ITEM**

<b>Item No.</b>	4d
<b>Date of Meeting</b>	<u>October 10, 2016</u>

**DATE:** October 3, 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 (CBA) with the Seattle-King County Building and Construction Trades Council

**Total Port Cost Increase for the Duration of the Agreement: \$129,647.**

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute a new collective bargaining agreement, the Maintenance Agreement Addendum, between the Port of Seattle and the Seattle-King County Building and Construction Trades Council covering the period from January 1, 2016, through December 31, 2018, and affecting 118 Aviation and Marine Maintenance trades workers.

**SYNOPSIS**

The Port and the Council 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 this CBA is \$129,647, associated with the negotiated improvement in the pension benefit. The estimated additional cost per year of the contract is: year one, \$9,973; year two, \$59,837; and year three, \$59,937. The estimated cost increase constitutes less than 1% increase in benefit rate. This agreement includes the Port's parental leave benefit.

**BACKGROUND**

The Maintenance Agreement Addendum is a unique agreement between the Port of Seattle and the Council entered into on behalf of affiliated local unions that include, Painters District Council 5, Sign Painters Local 1094, Laborers Locals 242 and 440, Operating Engineers Local 302, Sheet Metal Workers Local 66, Sprinkler Fitters Local 699, and Plumbers Local 32. Each separate union is party to its own master labor agreement that is negotiated by construction industry employer associations such as the Associated General Contractors. Under this over 50 year old agreement, Port of Seattle regular employees are compensated 88% of their construction

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industry negotiated wage rate plus industry health and pension benefits, and receive paid leave benefits as negotiated under the Addendum. Emergency hire employees under the Addendum receive 100% of their industry negotiated wage rate plus industry health and pension benefits with no paid leave benefits provided by the Port, with limited exception. Currently, approximately seventy percent (70%) of employees under this agreement are regular employees and thirty percent (30%) are emergency hire status employees. 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**

Adjustments to wages shall be according to each affiliate's construction industry agreement.

#### **Pension**

Upon implementation, pension contributions for regular status employees will be made on all hours compensated.

#### **Other Changes**

- **Modifications in Article III – Maintenance of Membership** – adds language to insure due process rights are afforded to employees prior to decision to terminate for non-compliance with this Article.
- **Modification in Article V – Definition of Employee** – clarifies that Apprentices are not “regular” employees under the terms of the Addendum.
- **Modifications in Article VII – Terms and Conditions** – adds language establishing a six month probationary period for newly hired regular employees.
- **Modifications in Article XIII – Fringe Benefits** – modifies language to provide for pension contributions on all hours compensated for regular employees; adds language to insure parties convene to negotiate impacts of any mandatory pension funding improvement plan; adds language to support Affordable Care Act compliance.
- **Modifications in Article XV – Non-Discrimination** – updates EEO language to current Port standard.
- **Modifications in Article XVI – Holidays** – modification to clarify accumulation of floating holidays applies to “regular” status employees.

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- **Modifications in Article XVII – Paid Time Off** – modification to clarify that the Article applies to “regular” status employees; modification of limit on accumulating paid time off to Port standard of four hundred eighty (480) hours; modification to clarify that emergency hire status employees who become regular status employees do not accrue paid time off for hours worked while in emergency hire status but shall be credited for up to 180 calendar days of emergency hire status for the purpose of determining accrual rate; modification to transition employees from unlimited cash out provision to standard Port Paid Time Off Cash Out program.
- **Modifications in Article XVIII – Paid Parental Leave** – adds new parental leave benefit per Port policy.
- **Modifications in Article XIX – Bereavement Leave** – adds language to provide bereavement benefits to employees with at least 30 days of uninterrupted service.
- **Appendix A – Operating Engineers Local 302** – updates current Group 2 rate and deletes outdated reference to Condor Operator.
- **Appendix D – Painters and Allied Trades** – updates foreman and general foreman premium pay to Western Washington Painters agreement.
- Other non-monetary housekeeping changes

The minimum hourly wage currently paid is \$20.65 to a Laborer Apprentice, the weighted average wage is \$32.91.

## **FINANCIAL IMPLICATIONS**

<b>Cost Impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Totals</b>
<b>Pension</b>	\$9,973	\$59,837	\$59,837	<b>\$129,647</b>

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

The increase in expense related to the increase in pension costs is included in the Aviation and Maritime Divisions 2016 budget; to be included in 2017 and 2018 budgets.

## **ATTACHMENTS TO THIS REQUEST**

- Collective bargaining agreement

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- None.