

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

**COMMISSION AGENDA**

**Item No.** 6g

**Date of Meeting** November 3, 2009

**DATE:** October 27, 2009

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Lisa Hornfeck, Labor Relations Director

**SUBJECT:** Request for authorization for the Chief Executive Officer to execute a Collective Bargaining Agreement between the International Union of Operating Engineers Local No. 286 representing Operating Engineers in Aviation Maintenance and the Port of Seattle.

**BACKGROUND**

This memorandum covers ninety (90) Operating Engineers in the Aviation Maintenance Division.

**SCOPE OF THE AGREEMENT**

**Term of the Agreement**

June 1, 2009 - May 31, 2011

**Wages**

**First Year of Contract: June 2009 – June 2010**

Increase of \$2.48 per hour

Base rate for Operating Engineer \$34.13

This hourly wage increase includes approved 3% wage increase for represented employees, and money saved from the employee group's change in Health and Welfare Plan added to hourly wage. The rate the Port is paying per month, per employee for the new H&W plan is \$985.00, a savings of an average of \$250.00 per employee per month. The H&W monthly benefits are capped for the life of the contract at \$1,000.00 per month per employee. If the second year of the contract the monthly premium increase is above the cap, the employee is responsible for the increased premium. The combined total of the H&W money and the 3% budgeted increase equals a 7.8% increase for a Journeyman Engineer for 2009-2010.

## **Second Year of the Contract: June 2010 – June 2011**

COLA between (2% – 6%) + an additional 1%

COLA indexes in the Seattle area have been between 0% - 2% the last year. It is anticipated that second year of the contract the COLA index will be 2% or under. If that is the case, the wage increase will be the COLA floor of 2% + an additional 1% = 3% total wage increase. The range between 2% - 6% was agreed to for consistency with other Port of Seattle contracts and within the industry. Although it is possible the COLA index will be higher than 2% it is very unlikely to be significantly so. In addition, since this is a mid-year contract, any increase will be off-set by taking effect in June, rather than January.

### **Premium Rate Increases**

Premium rate for Operating Maintenance Engineers (Operators in the Boiler Room) increased from fifty-five cents (\$.55) per hour to one dollar (\$1.00) per hour, due to the licensing requirements. There are forty four (44) employees receiving this premium.

Premium Rate for employees on the Loading Bridge Crew who has an all position structural welding/AWS license as required for the position, increased from twenty-five cents to seventy cents (\$.70). There are seven (7) employees receiving this premium.

### **Benefits**

There is no change to the hourly and monthly pension benefit contribution rates for the duration of the contract.

As of November 1, 2009, the employees left the Port medical plan and began participating in the Local 302/612 IUOE Health and Security Fund, to include Medical, Dental and Insurance Benefits. The current rate is 985.00 per month per employee. The Port contribution is capped at \$1000 for the second year of the contract. If the monthly premium increases, the employees shall be responsible for the difference.

### **Summary of Changes:**

1. Management Rights Clause added to Article 3.
2. Shift Bid requirement to remain in bid position for a minimum of six months, Article 5.06  
This requirement was added to provide some stability to work groups, and restricts the employees' ability to bid from shift to shift, for at least a period of six months.
3. Significant clarification of seniority list, combining Boiler Shop and Conveyer Shop for purposes of layoff and recall. For purposes of shift bidding, priority determined by plant basis. For purposes of overtime, priority shall be determined by the work group. Article 7.05 was entirely rewritten for clarity and to memorialize the content of a prior MOU within the CBA.

4. Probation period increased from forty-five (45) days to eight hundred (800) working hours. This was increased due to the need for additional probation period monitoring, and also for consistency between work groups on 4/10 hour shifts and 5/8 hour shifts. Article 7.06.
5. Premium rate for Operating Maintenance Engineers (Operators in the Boiler Room) increased from fifty-five cents (\$.55) per hour to one dollar (\$1.00) per hour, due to the licensing requirements. There are forty four (44) employees receiving this premium.
6. Premium Rate for employees on the Loading Bridge Crew who has an all position structural welding/AWS license as required for the position, increased from twenty-five cents to seventy cents (\$.70). There are seven (7) employees receiving this premium.
7. New Article added requiring employees who bid into a shift in the Industrial Water Waste Treatment Plant to make a minimum of a two year commitment to remain in the plant. This commitment is important due to the training required to work in and run the IWTP, in addition to the desire to have a stable experienced work group in a plant that is strictly monitored for environmental compliance. Article 8.05.
8. Sub-classification of Utility Worker rate of pay reduced to fifty-five percent (55%) of Journeyman scale the first year, sixty percent (60%) the second, and sixty five percent (65%) the third year and beyond. Article 9.02
9. Modification of Light Duty Schedule notice of five days. This allows additional flexibility in scheduling of employees restricted to light duty to a changed or modified schedule. Article 12.03a
10. New Article addressing inclement weather weekend on call status for employees in the IWTP. This provision is intended to reduce the number of overtime hours, and instead have employees on call to respond to issues if they arise.
11. Overtime MOU clarified and added to the CBA, Article 12.09
12. Vacation accrual modified for longer term employees. Five week vacation accrual for fifteen years of services, modified from 20 years of service.
13. Health and Welfare Plan change. Savings from benefits added to hourly wage. Monthly benefits capped at \$1,000, employees responsible for any premium increase over the cap for the duration of this contract.
14. New Article: Sunset Clause for relying on disciplinary documents in the employee's file if no new disciplinary conduct for twenty four (24) months, excludes finding of gross misconduct. Article 21.02
15. Leave without pay increased from two to five days, if management is able to accommodate the request. Article 27.
16. Footwear stipend of \$100.00, changed from \$80 reimbursement for footwear.

### **Consistency with other Bargaining Units**

Agreement on the following subjects is similar to those of other labor agreements at the Port:

Shift Differentials

Payroll Period

Management Rights Clause

Vacation Accrual

Utility Worker Rates

**REQUESTED ACTION**

Request for authorization for the Chief Executive Officer to execute a Collective Bargaining Agreement between the International Union of Operating Engineers Local No. 286 representing Operating Engineers in Aviation Maintenance.