

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6e

Date of Meeting August 24, 2010

DATE: August 18, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Lisa Hornfeck, Labor Relations Manager

SUBJECT: Request for Authorization for the Chief Executive Officer to execute a new Labor Agreement between the Port of Seattle and International Brotherhood of Electrical Workers Local 46 representing Electricians. Term of the proposed agreement is two years, June 1, 2010 – May 31, 2012.

REQUESTED ACTION

The Director of Labor Relations requests Port Commission authorization for the Chief Executive Officer to execute this new Labor Agreement between the Port of Seattle and the International Brotherhood of Electrical Workers, IBEW Local 46 representing Electricians.

BACKGROUND

This agreement covers sixty four (64) Port of Seattle employees in Aviation and Seaport Maintenance. The last agreement was negotiated in 2008 and covered June 2008 – May 2010, expiring May 31, 2010.

Since many contract changes were negotiated and adopted only a year and a half ago, this proposal is similar to a contract extension of the last agreement. The proposed agreement contains consolidation of some sections and deletion of extraneous language, but other than wage and benefit changes, the content of the prior contract remains intact.

SCOPE OF THE AGREEMENT

Term of the Agreement:

June 1, 2010 – May 31, 2012

Wages:

First Year of Contract: June 2010 – June 2011:

- Staggered wage increase:
 - Effective June 1, 2010 Wage Rate: \$41.45
 - Increase of \$.80 to hourly wage (an increase of 2%)

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- Effective January 1, 2011 Wage Rate: \$41.85
 - Increase of \$.40 to hourly wage (an increase of 1%)

Total increase for the first year is \$1.20, an increase of 2.4% for the first year. The first year increase is in line with Port guidelines and direction for 2010 salary and benefits, and is comparable to the current cost of living increase for the region; the CPI index is currently between 2%-3%. The projected cost for the first year of the contract is \$125, 573.00.

Second Year of the Contract: June 2011 – June 2012

- Effective June 1, 2011:
 - Cost of Living Adjustment (COLA), 100% of the percentage increase of the CPI index for Seattle with a minimum increase of not less than a minimum of 2% and not more than a maximum of 6%.
 - Applying this index, with a minimum and maximum, to calculate future wage increases benefits both the Port and the work group and is standard area practice in both the private and public sector. It ties future wage increases to an identifiable market driven index and allows for only a modest increase if CPI is low while protecting the Port against unusual fluctuations in the market.
 - One time cash payout of 1% of the total of all hours compensated for the period of June 1, 2010 – May 31, 2011 (this sum is in recognition of moving to an application of a CPI indexed COLA, and will not compound in future hourly wages). The estimated cost for this one-time payout is \$55,795.

Applying an estimated COLA increase of 3%, the projected additional cost for the increased hourly wage for the second year of the contract is \$164, 779.

Benefits:

- Pensions: No Increase for Life of the Contract
 - Effective June 1, 2008 through May 31, 2010 the Port shall contribute \$4.05 per hour per employee for the life of the agreement into the Puget Sound Electrical Workers Pension Trust.
 - Puget Sound Electrical Workers Annuity. Effective June 1, 2008 through May 31, 2010, the Port shall contribute \$1.75 per hour per employee for the life of the agreement into the Puget Sound Electrical Workers Annuity.
- Medical, Dental and Life:
 - Effective May 1, 2010, the Port agrees to contribute \$6.95 per hour worked into the Puget Sound Electrical Workers Health and Welfare Trust Fund.

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- Effective January 1, 2011, the Port agrees to contribute \$7.20 per hour worked into the Puget Sound Electrical Workers Health and Welfare Trust Fund.
- The Port agrees to Maintenance of benefits subsequent to January 2, 2011.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST

Collective Bargaining Agreement between the Port of Seattle and IBEW Local 46, Electrical Workers.