

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

**COMMISSION AGENDA**

**Item No.** 5a

**ACTION ITEM**

**Date of Meeting** December 4, 2012

**DATE:** November 26, 2012

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

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

**SUBJECT:** Memorandum of Understanding between the Port of Seattle and the Teamsters Local Union No. 117, representing Rental Car Facility Bus Drivers

**Total Estimated Cost to the Port:** \$7,500

**Period of Agreement:** Effective through executed Collective Bargaining Agreement

**Source of Funds:** Rental Car Facility Transit Operations Operating Budget

**ACTION REQUESTED:**

Request Commission authorization for the Chief Executive Officer to execute a Memorandum of Understanding (MOU) between the Port of Seattle and the Teamsters Local Union No. 117, representing Rental Car Facility Bus Drivers, relating to completion of probation, health care coverage, and other benefits. The estimated total cost increase to the Port is \$7,500.

**SYNOPSIS:**

Good faith bargaining between Teamsters Local Union No. 117 and the Port of Seattle resulted in a fair probationary agreement consistent with the Port's priorities. Upon completion of probation, employees will receive a 2.5-percent hourly wage increase and will be required to pay a portion of their health care premium, as required of other Port employees.

**BACKGROUND:**

The Public Employment Relations Commission certified this bargaining unit as represented by Teamsters Local Union No. 117 on June 26, 2012. There are sixty-five (65) employees in the bargaining unit, including fulltime, part-time and relief bus drivers. The parties are currently negotiating the first collective bargaining agreement.

All employees in the bargaining group have been hired within the last seven months, with 52 employees successfully completing a six month probationary period on October 6, 2012. Although both parties are bargaining in good faith and committed to reaching an agreement as

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

November 26, 2012

Page 2 of 3

soon as practical, it is unclear when a final agreement will be ratified. The parties negotiated this MOU to address issues triggered as employees' successfully complete probation including wage increases and access to pension benefits. In addition, the MOU addresses issues triggered by the approaching end of the fiscal year related to 2013 health care plan design changes, increases in cost sharing levels and open enrollment for 2013 health care benefits.

This is an interim agreement. Any changes or increases to wages and benefits will be taken into consideration when negotiating a final agreement.

### **PROJECT JUSTIFICATION:**

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.

When a union files a representation petition, the employer is legally required to maintain the status quo and must not take unilateral action regarding wages, hours, and working conditions. In addition to the "general status quo" obligation, state law requires employers to maintain the "dynamic status quo." The "dynamic status quo" concept recognizes that, occasionally, the status quo is not static and the employer needs to take action to follow through with changes set in motion prior to the union filing a representation petition.

### **SCOPE OF THE AGREEMENT:**

#### **Term of the Agreement**

Retroactive to October 6, 2012, through the execution of the first collective bargaining agreement.

#### **Wages**

- Effective October 6, 2012, upon successful completion of probation, employees will receive a 2.5% hourly wage increase.

#### **Benefits**

- Full-time and part-time drivers eligible for health and welfare benefits shall participate in the Port's open enrollment to choose from the Port provided health care plans for 2013. Employees shall be required to pay a portion of their health care premium, as required of other employees.
- Employees may participate in the 457 deferred compensation program, but will be not eligible for the 401(a) matching from the Port, unless and until this benefit is specifically negotiated into the final collective bargaining agreement.

**COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

November 26, 2012

Page 3 of 3

**FINANCIAL IMPLICATIONS:**

The estimated total of annual wage cost increase to the Port through January 1, 2013, is \$7,500.

**BUDGET STATUS AND SOURCE OF FUNDS:**

The increase in expense is included in the Rental Car Facility Transit Operations 2012 operating budget and will be included in future operating budgets.

**OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

Memorandum of Understanding.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.