

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

**COMMISSION AGENDA**

**ACTION ITEM**

<b>Item No.</b>	4e
<b>Date of Meeting</b>	June 9, 2015

**DATE:** June 1, 2015

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

**FROM:** Robin Romeo, Director of Labor Relations  
Milton Ellis, Labor Relations Manager

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

**Total Port Cost Increase for the Duration of the Agreement:** \$261,090.

**Source of Funds:** Aviation Maintenance and Marine Maintenance Department

**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 July 1, 2013, through June 30, 2017, and affecting 31 positions, including Auto Machinists employees.

**SYNOPSIS**

Good faith bargaining between the International Association of Machinists and Aerospace Workers, Local 289, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities. This agreement is for four years covering the period from July 1, 2013, through June 30, 2017. The estimated total additional cost for wages and benefit increases is \$261,088. The estimated additional cost per year of the contract is: year one, \$51,392; year two, \$53,158; year three, \$61,442; and year 4, \$95,098.

For the first time, employees will pay a portion of the cost of their health insurance premium, as well as a portion of the cost of the Port's contribution to their pension rehabilitation plan. Wages in the first year of the agreement did not increase. Instead, employees will receive a lump sum. For the remainder of the agreement employees will receive an annual cost of living adjustment equal to the local consumer price index. Employees will now be required to participate in the Port's direct deposit program.

Other employee benefits include an increase in the annual shoe allowance and the provision of an additional week of vacation time for employees with eighteen or more years of service.

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Operational changes include establishing separate seniority lists by department, modifications to the time requirements for grievances and overtime clarification for employees who work a ten hour shift.

### **BACKGROUND**

The International Association of Machinists and Aerospace Workers, Local 289, represents a bargaining unit of 31 Auto Machinists. These employees work in Marine Maintenance, Aviation Maintenance, and the Aviation Maintenance Bus Facility. The previous agreement expired on June 30, 2013. 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**

July 1, 2013, through June 30, 2017.

#### **Wages:**

Effective July 1, 2013, this Collective Bargaining Agreement shall provide the following:

Effective July 1, 2013 : Lump sum payment of \$1,500 per employee

Effective July 1, 2014: Base wage rates shall be increased by the sum of one-hundred percent (100%) of the percentage increase in the Consumer Price Index for Seattle Tacoma, Bremerton, with a minimum increase of not less than zero percent (0%) nor more than six percent (6.0%)

Effective July 1, 2015: Base wage rates shall be increased by the sum of one-hundred percent (100%) of the percentage increase in the Consumer Price Index for Seattle Tacoma, Bremerton, with a minimum increase of not less than zero percent (0%) nor more than six percent (6.0%)

Effective July 1, 2016: Base wage rates shall be increased by the sum of one-hundred percent (100%) of the percentage

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increase in the Consumer Price Index for Seattle Tacoma, Bremerton, with a minimum increase of not less than zero percent (0%) nor more than six percent (6.0%)

### **Health and Welfare**

Employees in the bargaining group are currently enrolled in the Machinist Health and Welfare Trust. The previous agreement did not provide for premium share for employees in the bargaining group and the Port's monthly premium contribution was linked to the average of the Port's family plans on the basis of a contract clause in the agreement. As part of this new agreement, that clause has been eliminated and employees will now contribute an amount of forty dollars (\$40) per month toward their health and welfare monthly premium amount commencing the third year of the agreement. This employee paid premium amount will increase to fifty dollars (\$50) per month commencing the fourth year of the agreement. The current monthly premium rate for employees in the bargaining unit is \$1,600.53.

### **Pension**

The Western Metal Industry Pension Fund is under a Rehabilitation Plan. The Port contributes \$7.96 per compensated hour per employee to the plan. The rehabilitation schedule at the time of the settlement increases the Port's contribution by 16% of the base hourly per compensated rate (\$7.96) each year of the agreement on the basis of the Preferred Schedule selected by the parties.

Pursuant to the new agreement, employees will now contribute \$50 per month toward the rehabilitation plan commencing the third year of the agreement.

### **Vacation**

Employees with more than eighteen (18) years of service will receive an additional week of vacation.

All employees will be able to cash out vacation provided they have a balance of two weeks remaining.

Vacation selection will now be done by seniority within department.

### **Direct Deposit**

Employees will now be required to participate in the Port's direct deposit program.

### **Shoe Allowance**

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Employee annual footwear allowance increased from \$80 to \$120 a year.

**Other Changes**

- Overtime – updated to account for employees on 4/10’s work schedule.
- Grievance procedure – time in responding to grievances has been extended.

**FINANCIAL IMPLICATIONS**

Cost Impact \$	Year 1	Year 2	Year 3	Year 4
Pay	\$47,740	\$13,338	\$51,061	\$52,083
Benefits	\$ 3,652	\$ 39,820	\$ 10,380	\$43,015
Total	\$ 51,392	\$53,158	\$ 61,442	\$95,098

The estimated total additional cost to the Port for the duration of the contract is \$261,090.

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

The increase in expense is included in the Marine Maintenance Department and Aviation Maintenance Division 2015 budgets.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.