

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4f
Date of Meeting July 14, 2015

DATE: July 7, 2015

TO: Ted Fick, Chief Executive Officer

FROM: Milton Ellis, Labor Relations Manager *ME*

SUBJECT: New collective bargaining agreement with the International Brotherhood of Teamsters, Local 174, representing Truck Drivers.

Total Port Cost Increase for the Duration of the Agreement: \$59,943.

Source of Funds: Marine Maintenance Division

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 Brotherhood of Teamsters, Local 174 (Truck Drivers) covering the period from June 1, 2015, through May 31, 2018, regarding seven (7) Truck Driver employees.

SYNOPSIS

Good faith bargaining between the International Brotherhood of Teamsters, Local 174, and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities. This agreement covers three years June 1, 2015, through May 31, 2018. The estimated cost of the contract is: year one, \$19,199; year two, \$19,967; and year three, \$20,778, for a total of \$59,943. The estimated cost is based on an assumption of two percent (2.0%) increase in wages and a seven percent (7.0%) increase in the cost of health insurance each year of the agreement.

We were able to achieve advancements in management rights, such as a management's rights clause and the ability to assign employees to an alternate work schedule. We achieved the right to define the probationary period as a 120 day period whereas in the past, it was undefined. We were able to insert language to indemnify the Port in any action for non-payment of union dues and we were able to get agreement on Affordable Care Act, reopening bargaining if the Port becomes liable for any excise tax.

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BACKGROUND

The union negotiates wages with the Associated General Contractors of Washington in the Master Labor Agreement. Under the terms of contract between the Port of Seattle and Local 174 (Truck Drivers), the Port pays eighty percent (80%) of any wage and pension increase derived from the Associated General Contractors of Washington. The seven employees in the bargaining group are all assigned to the Marine Maintenance Division.

SCOPE OF THE AGREEMENT

Term of the Agreement

June 1, 2015, through May 31, 2018.

Wages:

Effective June 1, 2015, this Collective Bargaining Agreement shall provide the following:

Effective June 1, 2015	Eighty-percent (80%) of the combined AGC Wage & Pension increase
Effective June 1, 2016:	Eighty-percent (80%) of the combined AGC Wage & Pension increase
Effective June 1, 2017:	Eighty-percent (80%) of the combined AGC Wage & Pension increase

Health and Welfare

Employees in the bargaining unit are covered under the Teamsters Welfare Trust. We were able to achieve contract language to address any excise tax penalty that could arise on the basis of the Affordable Care Act by opening the contract to address any excise tax penalty that could arise during the term of the agreement.

Work Schedule

Marine Maintenance will have the option of assigning employees in the bargaining unit to a 4/10s work shift. Currently all employees are on a 5/8s work schedule.

Probationary Period

Employees hired in the bargaining unit will now have a twelve month probationary period. Previously, the period was undefined.

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Other Changes

- Management Rights – a new Management Rights clause was adopted.
- Indemnification – Port indemnified for any action taken against employees by the Union for non- payment of dues.
- Equal Employment – The language was updated to comply with state and federal law.
- Premium Shift – language adopted for employees working 4/10s grave yard shift for Port Construction Services that could result in potential cost saving.

FINANCIAL IMPLICATIONS

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$10,690	\$10,904	\$11,122
Benefits	\$ 8,508	\$ 9,063	\$ 9,656
Total	\$ 19,198	\$19,967	\$ 20,778

The estimated total additional cost to the Port for the duration of the contract is \$59,943. The total accumulative cost is \$2,679,390.

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.

