



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8i

ACTION ITEM

Date of Meeting

May 24, 2022

DATE: May 24, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Mikel O'Brien, Interim Senior Director of Labor Relations
Greg Gauthier, Labor Relations Manager

SUBJECT: New Collective Bargaining Agreement Between the Port of Seattle and the International Association of Machinists and Aerospace Workers (IAM&AW), Local 289, Auto Machinists

Total Port Cost Increase for the Duration of the Agreement: \$4,232,466.87

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, representing Auto Machinists at the Port of Seattle covering the period from July 1, 2021, through June 30, 2026.

EXECUTIVE SUMMARY

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 Port's priorities.

There are currently thirty- three (33) Auto Machinists employed at the Port who are assigned to both Marine and Aviation Maintenance Automotive and bus facilities. Auto Machinists perform preventive maintenance, repair, rebuild, and tune-up work on a diverse fleet comprised of over 800 Port of Seattle vehicles and equipment powered by gasoline, diesel, natural gas, electric and hybrid engine/drive systems in support of Port of Seattle operations at Marine Maintenance and at Sea-Tac International Airport.

This agreement is for five years covering the period from July 1, 2021, through June 30, 2026. The estimated total additional cost for wages and benefit increases is \$4,232,466.87. The estimated additional cost per year of the contract is: year one, \$134,870.60; year two \$546,406.66; year three \$941,638.94; year four \$1,146,865.82; year five \$1,462,684.85.

Meeting Date: May 24, 2022

The cost is based upon the following cost of living increases¹

Year 1	No increase
Year 2	CPI-U (0-6%) + 2% ²
Year 3	CPI-U (0-6%) + 0.5%
Year 4	CPI-U (0-6%) + 2% ³
Year 5	CPI-U (0-6%) + 0.5%

The cost also includes estimated healthcare premium increases of 5% each year, increased safety shoe stipends, and the employers required hourly pension rehabilitation contribution of \$11.46 for all hours compensated.

Other changes include the addition of the Juneteenth holiday, enhanced vacation accrual formulas, a change to a lower cost medical plan in 2024, a re-opener in the event of a reduction to the Port’s required hourly pension rehabilitation plan contributions, enhanced funeral leave, enhanced sick leave⁴, and overpayment recovery language.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargaining wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

DETAILS

Term of the Agreement

Retroactive to July 1, 2021, through June 30, 2026.

FINANCIAL IMPLICATIONS

Wages

Classification	Current Rate	Effective 7/1/2022 Base Hourly Rate (+8%)
Auto-Machinists	\$43.54	\$47.02

¹ Increases in years 2 through 5 were calculated at highest CPI-U values; if CPI-U is less than 6% on any given year, the estimated costs should be less based upon the model used.

² February 2021 to February 2022 CPI-U 8.1%; Employees to receive max 6% CPI-U + 2% for an 8% increase

³ Plus 2% bargained in conjunction with the employees moving to a less expensive healthcare plan

⁴ One additional day of sick leave

Meeting Date: May 24, 2022

Health and Welfare

Members of the bargaining unit are currently under the IAM&AW Medical Plan 10 where they contribute one hundred dollars (\$100) per month toward the cost of their medical insurance. The current total monthly healthcare premium cost is \$2,138.00. On July 1, 2024, members of the bargaining unit will switch to IAM&AW Medical Plan 14, which is currently 18% less expensive than the current plan.

Pension

Members of the bargaining group are enrolled in the Western Metal Industrial pension plan where they currently share in the cost of improving this pension plan by contributing one hundred dollars (\$100) per month. The Port’s contribution for each hour compensated is currently \$19.41⁵.

Cost Impact \$	Year 1	Year 2	Year 3	Year 4	Year 5
Pay	\$ 5,118.29	\$284,290.44	\$545,266.33	\$869,902.37	\$1,154,770.49
Benefits	\$129,752.30	\$ 262,116.23	\$396,372.60	\$276,963.46	\$307,914.36
Total	\$134,870.59	\$546,406.67	\$941,638.93	\$1,146,865.83	\$1,462,684.85

The estimated total additional cost to the Port of Seattle for the duration of the contract is **\$4,232,466.87**.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Commission Authorization for Executive Director to Approve CBA February 26, 2019

⁵ \$7.96 for pension contribution plus \$11.46 contribution to the pension rehabilitation plan