



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6g

ACTION ITEM

Date of Meeting February 26, 2019

DATE: February 1, 2019

TO: Stephen P. Metruck, Executive Director

FROM: David Freiboth, Senior Director of Labor Relations
Milton Ellis, 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: \$389,576

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, 2017, through June 30, 2019.

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-four (34) 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 two years covering the period from July 1, 2017, through June 30, 2019. The estimated total additional cost for wages and benefit increases is \$389,576. The estimated additional cost per year of the contract is: year one, \$211,793; and year two \$177,783.

The cost is based upon a cost of living increase of 3.1 percent increase in wages in year one and a cost of living increase of 3.3 percent in year two of the agreement. The cost also consists of an increase of 7.3% in health insurance in year one of the agreement and no increase in health insurance in year two of the agreement.

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Other changes consist of modification to the Union Security Clause to comply with Federal law; increase employee contributions for medical and pension; modification of the sick leave and the Family Medical Leave provision to comply with state law; employee access to the Port tuition reimbursement program and the Union participation in the employee orientation program in accordance with state law.

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, 2017, through June 30, 2019.

FINANCIAL IMPLICATIONS***Wages***

Classification	Current Rate	Effective 7/1/17 Base Hourly Rate (+3.1%)	Effective 7/1/18 Base Hourly Rate (+3.3%)
Auto-Machinists	\$39.41	\$40.63	\$41.97

Health and Welfare

Members of the bargaining group are currently under the IAM&AW Medical Plan 10 where they contribute fifty dollars (\$50) per month toward the cost of their medical insurance. The contract provides for an increase in the amount of premium share paid by employees of fifty dollars (\$50) per month. Employees will therefore contribute a monthly premium share amount of one hundred dollars (\$100) per month toward the cost of their medical insurance.

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 fifty dollars (\$50) per month. This amount paid by employees will now be increased by fifty dollars (\$50) per month. Employees will therefore now contribute one hundred dollars (\$100) per month toward the cost of improving this pension plan.

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Wage

Employees were provided with a cost of living increase for the two years of the agreement based on the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers) April to April Index which represented 3.1% for April 2016-April 2017 (effective July 1, 2017) and 3.3% for April 2017-April 2018 (effective July 1, 2018).

Tuition Reimbursement

Employees will now be able to participate in the Port of Seattle tuition reimbursement program.

New Employee Orientation

The Union will now have up to thirty (30) minutes to meet with new employees during the new employee orientation in accordance with state law.

Other Changes

- The sick leave provision was modified to conform to the new Washington State sick leave law.
- The Family Medical Leave provision was modified to conform with the Washington Paid Family and Medical Leave Act.
- The Union Security Provision was modified to conform with Federal law.
- Shoe allowance reimbursement will now be paid as an annual stipend
- Employees on a work-related injury will have to make every effort to schedule medical appointments outside working hours

Cost Impact \$	Year 1	Year 2
Pay	\$ 92,311	\$101,314
Benefits	\$119,482	\$ 76,469
Total	\$211,793	\$177,783

The estimated total additional cost to the Port of Seattle for the duration of the contract is \$389,576.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, representing Auto Machinists assigned to the Port of Seattle Marine and Aviation Maintenance Departments, covering the period from July 1, 2017, through June 30, 2019.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.