



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6h

ACTION ITEM

Date of Meeting September 10, 2019

DATE: July 1, 2019

TO: Stephen P. Metruck, Executive Director

FROM: David Freiboth, Senior Director of Labor Relations
Matthew Bullock, Labor Relations Manager

SUBJECT: New collective bargaining agreement between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, representing Inventory Specialists

Total Port Cost Increase for the Duration of the Agreement: \$189,302

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a collective bargaining agreement between the Port of Seattle and the International Association of Machinists and Aerospace Workers, Local 289, representing Inventory Specialists at the Port of Seattle covering the period from January 1, 2019, through December 31, 2021.

EXECUTIVE SUMMARY

Good faith bargaining between the International Association of Machinists and Aerospace Workers, Local 289, representing Inventory Specialists and the Port of Seattle resulted in a fair collective bargaining agreement (CBA) consistent with Port's priorities.

There are currently ten Inventory Specialists employed at the Port of Seattle who are assigned to Aviation Maintenance Department at the Distribution Center (DC) warehouse, or other assigned DC satellite locations. Inventory Specialists perform various functions of receipt, storage, delivery of parts, processing and procurement of goods and services in compliance with Port policy and procedures.

This agreement is for three years covering the period from January 1, 2019, through December 31, 2021. The estimated total additional cost for wages and benefit increases is \$189,302. The estimated additional cost per year of the contract is: year one, \$30,376; year two, \$61,225, and year three \$97,701.

The cost is based upon a cost of living increase plus of 3.1 percent in wages in year one of the agreement; an estimated cost of living increase of 3.0 percent in year two of the agreement; and an estimated cost of living increase of 3.0 percent, plus an additional 1.0 percent in years

Meeting Date: September 10, 2019

one, two and three of the agreement. The cost also consists of an estimated health insurance increase of 5.0 percent in year three of the agreement.

Other changes consist of deleting language in the Union Security Clause regarding mandatory Union membership in compliance with Federal law; increase employee contribution for medical insurance; modification of the sick leave and the Family Medical Leave provisions to comply with state law; and the Union participation in the employee orientation program in accordance with state law.

JUSTIFICATION

Chapter 41.56 RCW 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 January 1, 2019, through December 31, 2021.

FINANCIAL IMPLICATIONS

Wages

Classification	Current Rate	Effective 1/1/19 Base Hourly Rate (+3.1% COLA) +1.0%	Effective 1/1/20 Base Hourly Rate (+3.0% Estimated COLA) + 1.0%	Effective 1/1/21 Base Hourly Rate (+3.0% Estimated COLA) + 1.0%
Inventory Specialist	\$28.70	\$28.98	\$30.14	\$31.34

Wage

Employees were provided with a cost of living increase for each year of the three year agreement based on the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers) October to October Index which represented 3.1 percent for October 2018-October 2019 (effective January 1, 2019); an estimated 3.0 percent CPI for October 2019-October 2020 (effective January 1, 2020); and an estimated CPI for October 2020-October 2021 (effective January 1, 2021). Employees also will receive an additional one percent (1.0 percent) above COLA in years one, two and three of the agreement.

Meeting Date: September 10, 2019

Health and Welfare

Members of the bargaining group are currently enrolled in Machinist Medical Plan 15 where they are contributing (\$25/employee; \$50/employee & spouse or children; \$75/employee & family) per month toward the cost of their medical insurance. The contract provides for an increase in the amount of premium share paid by employees (\$35/employee; \$70/employee & spouse or children; \$105/employee & family) in year three of the agreement.

New Employee Orientation

The Union will now have up to 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 language regarding mandatory union membership was deleted to comply with Federal law.

Cost Impact \$	Year 1	Year 2	Year 3
Pay	\$26,922	\$27,342	\$28,435
Benefits	\$3,454	\$3,508	\$8,040
Total New Money	\$30,376	\$30,850	\$36,475
Total Cumulative Cost	\$30,376	\$61,225	\$97,701

The estimated total additional cost to the Port of Seattle for the duration of the contract is \$189,302.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.