



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

6f

**ACTION ITEM**

**Date of Meeting**

October 8, 2019

**DATE:** October 1, 2019

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Greg Gauthier, Labor Relations Manager  
David Freiboth, Sr. Director, Labor Relations

**SUBJECT:** New 5-year collective bargaining agreement between the Port of Seattle and the International Union of Operating Engineers (IUOE) Local 302, representing 100 Operating Engineers in our Aviation Maintenance Department.

**Additional cost over term:** \$10,588,657

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the IUOE Local 302, representing the Operating Engineers in our Aviation Maintenance Department, covering the period from June 1, 2018, through May 31, 2023.

**EXECUTIVE SUMMARY**

Good faith bargaining between the Port of Seattle and IUOE Local 302 resulted in reaching a fairly negotiated collective bargaining agreement consistent with the Port's operational priorities.

The bargaining unit consists of 100 employees split relatively evenly between Mechanical Utilities and Mechanical Conveyance shops. Mechanical Utilities employees maintain and operate various systems in the airport such as heating, cooling, fire protection, and sanitary sewers. Mechanical Conveyance Representatives maintain and operate over nine miles of baggage handling systems to provide support for our airline customers.

The agreement is for five years covering the period from June 1, 2018, through May 31, 2023. The estimated total cumulative additional cost for wages, pension, healthcare, and other benefits is \$10,593,748. The estimated cumulative additional cost per year of the contract is Year 1, \$657,629; Year 2, \$1,469,774; Year 3, \$2,184,883; Year 4, \$2,816,015; Year 5, \$3,460,356.

Contributing factors to the costs include:

- Annual wage increases of 5 percent in each of the first three years, followed by CPI-U benchmarked increases plus an additional 1 percent in each of the last two years.

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- License/Certification premium increases.
- Annual increases to Healthcare premium caps.

Other changes include alignment with both the Washington Paid Sick Leave Law and Paid Family Medical Leave; alignment with the Port’s Education and Development policy, the incorporation of the Port’s Paid Parental Leave into the CBA; additional commuter trip reduction benefits, and the deletion of language regarding mandatory Union membership in compliance with Federal law.

**JUSTIFICATION**

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  
June 1, 2018, through May 31, 2023.

**FINANCIAL IMPLICATIONS**

**Paid Leave**

Increase in sick leave from 0.03846 on hours worked with an 80-hour annual maximum, to 0.03846 on all hours compensated with no maximum; Separated sick leave into two distinct banks identified as “Paid Sick Leave” and “Protected Sick Leave.”

**Medical, Pension,**

		<b><u>Cap<sup>1</sup></u></b>	<b><u>Employee Share</u></b>
• Health Insurance	<b>Current</b>	\$1300	\$0
	<b>2019</b>	\$1347	\$0
	<b>2020</b>	\$1427	TBD
	<b>2021</b>	\$1515	TBD
	<b>2022</b>	\$1610	TBD

- Pension— IUOE Central Pension Fund: 16.5% of gross monthly compensation.

**Wages**

1. License/Certification premiums increase to **\$2.00** per hour from **\$0.70** and **\$1.20** respectively.

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<sup>1</sup> Amounts over cap are split 50/50 between employee and employer

<b>Wages</b>		Effective	Effective	Effective	Effective	Effective	Effective
		6/1/2018	6/1/2019	1st of Month after Execution	6/1/2020	6/1/2021	6/1/2022
		<b>Article 8.03 Premium</b>					
		\$1.20	\$1.20	\$2.00	\$2.00	\$2.00	\$2.00
		<b>Article 8.04 Premium</b>					
		\$0.70	\$0.70	\$2.00	\$2.00	\$2.00	\$2.00
		Increase	Increase	Increase	Increase	<i>Estimated Increase*</i>	<i>Estimated Increase*</i>
<b>Classifications</b>	<b>Current</b>	5.00%	5.00%	N/A	5.00%	4.00%	4.00%
Engineer (Journeyman) (Operating and Maintenance/Mechanical)	\$40.83	\$42.87	\$45.02	\$45.02	\$47.27	\$49.16	\$51.12
Engineer (Journeyman with/Grade II License) (Operating and Maintenance/Mechanical)	\$42.03	\$44.07	\$46.22	\$47.02	\$49.27	\$51.16	\$53.12
Mechanical Maintenance Engineer (Conveyor Workgroup) (with Structural Welding AWS Cert)	\$41.53	\$43.57	\$45.72	\$47.02	\$49.27	\$51.16	\$55.12
Lead Operating and Maintenance/ Mechanical Maintenance Engineer (5% above Journeyman Scale)	\$42.87	\$45.02	\$47.27	\$47.27	\$49.63	\$51.61	\$53.68
Lead Operating and Maintenance/ Mechanical Maintenance Engineer (with Grade II License)	\$44.07	\$46.22	\$48.47	\$49.27	\$51.63	\$53.61	\$55.68
Head Operating and Maintenance/ Mechanical Maintenance Engineer (15% above Journeyman scale)	\$46.95	\$49.30	\$51.77	\$51.77	\$54.36	\$56.53	\$58.79
Head Operating and Maintenance/ Mechanical Maintenance Engineer (with Grade II License)	\$48.15	\$50.50	\$52.97	\$53.77	\$56.36	\$58.53	\$60.79
Chief Operating Maintenance/Mechanical Engineer (25% above Journeyman Scale)	\$51.04	\$53.59	\$56.27	\$56.27	\$59.08	\$61.45	\$63.90
Chief Operating Engineer (with Grade II License)	\$52.24	\$54.79	\$57.47	\$58.27	\$61.08	\$63.45	\$65.90
Technical Reviewer	\$46.95	\$49.30	\$51.77	\$51.77	\$54.36	\$56.53	\$58.79
Technical Reviewer with Grade II	\$48.15	\$50.50	\$52.97	\$53.77	\$56.36	\$58.53	\$60.79
Technical Reviewer Conveyor Workgroup with Structural Welding AWS Certificate	\$48.15	\$50.00	\$52.47	\$53.77	\$56.36	\$58.53	\$60.79

\*CPI-U (0% to 6%) plus 1%

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**Other Changes**

- Combining the Baggage System Engineer Function (BSE), Loading Bridge Crew, and Conveyance systems employees into the same workgroup.
- Alignment with the Port’s Education and Development Policy.
- Alignment with the Washington Paid Sick Leave Law.
- Alignment with the Washington Paid Family Leave Law with an administrative waiver.
- Incorporated the Port’s Paid Parental Leave into the CBA.
- Increases to annual safety shoe stipend.
- Additional Commuter Trip Reduction incentives.

**ATTACHMENTS TO THIS REQUEST**

- (1) Collective Bargaining Agreement between the Port of Seattle and the IUOE Local 302 (red lined).

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

January 12, 2016—Commission authorization of previous Collective Bargaining Agreement