

May 18, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8915 authorizing execution of a 2015-2018 successor labor agreement by and between the City and the International Brotherhood of Electrical Workers – Local 77 (Union) for the contract period January 1, 2015 through December 31, 2018.

FISCAL IMPACT

This 4-year agreement reached with the Union will result in a net cost increase to the City of approximately \$390,539 over the term of the contract (2015-2018).

Sufficient funds are available within the 2015 budget to fully fund the 2015 contract costs; estimated cost of living adjustments for 2016 are included in the 2015-2016 budget; and the increase cost of salaries in 2016 due to the market adjustment will be included in the 2016 mid-biannual budget adjustment. The costs in 2017-2018 will be included in the 2017-2018 budget proposals.

The 2016-2018 estimated COLA is based on the early forecast prepared by the Budget Office for the 2015-2016 and 2017-2018 budget development.

RCW 41.50.152 requires disclosure of “excess compensation” employer costs to avoid the unknowing acceptance of significant future liability. The provisions of this contract will not increase estimated future retirement billings because this requirement applies to PERS 1 employees only, and the individuals affected by this agreement participate in PERS 2 or PERS 3.

STAFF CONTACT

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Human Resources Department

POLICY CONSIDERATION

Shall the City enter into a 2015-2018 successor labor agreement with the International Brotherhood of Electrical Workers – Local 77?

BACKGROUND

The Union represents 14 positions, and 1.1% of the workforce.

Negotiations for the 2015-2018 successor labor agreement began on October 30, 2014. The City and Union met eight times in negotiations and were able to reach a tentative agreement on March 2, 2015, which was ratified by the Union on March 31, 2015. The tentative agreement is subject to Council approval.

Key Package Elements

Four-year contract term is January 1, 2015 through December 31, 2018.

Wages:

- 2015: 90% CPI-W, June (1.98%)
- 2016: 90% CPI-W, June

- 2017: 90% CPI-W, June
- 2018: 90% CPI-W, June

Market Adjustment:

- All classifications - 3% market adjustment
- Master Electronics Technician, Master Signal Technician – Differential from Journey level rate reduced from 109.3% to 109%
- Working Chief – Differential from Journey rate reduced from 114.38% to 114%

The City's market data indicated that the City was at the low end of market range and adjusting the range ensures market competitiveness. As a result of this market data, in order to make an across-the-board adjustment and reflect appropriate market standing, three job title classifications (seven employees) had their relative position to the Journey level classification slightly reduced.

Other Changes:

Definitions to Align with City Code (ACA changes):

The employment status definitions were amended to align with the federal definitions of "full-time" employee as adopted by Ordinance No. 6153 amending the Human Resources Code to align with the Federal Patient Protection and Affordable Care Act.

Health Insurance – Waiver language:

The Employer may open the Insurance Article to negotiate changes to Employer provided medical and dental plans to promote cost containment or if the cost of the City medical plan options offered to bargaining unit members is anticipated to exceed federal excise tax limits as outlined in the ACA, effective January 1, 2018. The Employer has the right to make unilateral plan design changes after conferring with the Union, subject to impacts bargaining if agreement is not reached. The Employer and the Union agree that the status quo maximum premium rates of City medical plan options offered to members of the bargaining unit shall not exceed the current Federal Excise (Cadillac) tax limits of \$10,200 per employee per year and \$27,500 per family per year.

Flexible Spending Arrangement (FSA):

Union agrees that should employee pre-tax medical contributions to the Flexible Spending Plan count toward the excise tax threshold it will no longer be offered after December 31, 2017. (No employer contributions are made to an FSA.)

Trial Service Period:

Increase trial service period for new hires from six months to 12 months. Allow employees to use accrued vacation and sick leave in first six months of hire.

Parking Matrix:

Parking on the Employer's premises (BSC) shall be provided in accordance with the provisions of the general parking program in effect January 1, 2015.

Non-economic agreements on a variety of issues brought forward by both the City and the Union.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution authorizing execution of a 2015-2018 successor labor agreement by and between the City and the International Brotherhood of Electrical Workers – Local 77 for the contract period January 1, 2015 through December 31, 2018.

2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to approve Resolution No. 8915 authorizing execution of a 2015-2018 successor labor agreement by and between the City and the International Brotherhood of Electrical Workers – Local 77 for the contract period January 1, 2015 through December 31, 2018.

ATTACHMENTS

Proposed Resolution No. 8915

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Labor Agreement substantially in the form of what will be the final agreement.