

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of 1) a successor labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing Utilities, Parks & Community Services, Transportation, and Finance & Asset Management bargaining unit employees (Union) for the contract period starting January 1, 2019, and expiring on December 31, 2022; and 2) a memorandum of understanding (MOU) regarding Fleet Technician Certification Pay.

Joy St. Germain, Director, 452-4581

Matt C. Smith, Manager, 452-7936

Human Resources

EXECUTIVE SUMMARY

This Resolution authorizes the execution of 1) a four-year collective bargaining agreement between the City and the Union representing public works, field maintenance, and mechanical employees for a contract period beginning on January 1, 2019 and expiring on December 31, 2022; and 2) a MOU regarding certification pay for fleet technicians.

RECOMMENDATION

Move to adopt Resolution No. 9667

If approved, effective date: 10/21/2019

BACKGROUND/ANALYSIS

The Union represents, as of September 15, 2019, approximately 221 employees, including 169 fully-benefitted positions filling 18 job classifications and 51 partially benefitted (seasonal, variable, and part-time) employees - approximately 12 percent of the City's workforce.

Negotiations for this successor agreement began on December 11, 2018. The parties reached a tentative agreement on September 4, 2019, after 14 bargaining sessions. The Union ratified the tentative agreement and accompanying MOU regarding Fleet Technician Certification Pay on September 30, 2019. Both Council approval and ratification of the agreement and MOU by the bargaining unit are required for execution of the agreement.

Key Package Elements

Base Wages: The parties bargained a four-year contract with the following wage adjustments:

- 2019: 4 percent
- 2020: 3 percent
- 2021: 2.5 percent
- 2022: 2.5 percent

Health & Welfare Insurance - Benefit changes consistent with the City's healthcare strategy beginning in health plan year 2020:

- New employees will have the option to enroll in either Kaiser Permanente (HMO) or the Premera Choice health plan, but not the Premera Core health plan;
- Premium sharing philosophy will change and be based on specific percentages of the total premium; and
- Medical and dental waiver rebates for waiving healthcare benefits will be discontinued.

Incentive Pay Program for Fleet Services Technicians - MOU: Established an incentive pay program for technicians who achieve and maintain professional certifications. These programs are in addition to other employment required certifications for the technicians.

Classification Changes: There was agreement to add three new classifications to the bargaining unit, Locator, Fleet Priority Specialist, and Supported Employment Aide, Represented, and to retitle and adjust the pay for the custodian classifications as a result of a market study.

Elimination of Teamsters' Pension and Retiree Healthcare Language: Parties agreed to eliminate the language in the contract that provided the option for employees to elect as a group to join the Teamsters Pension Plan and the Retiree Health Plan. (No Change to DRS or MEBA obligations)

Other clarifications and agreements on a variety of issues brought forward by both the City and the Union, including bargaining of the application of the Human Resources Policies and Procedures Manual.

POLICY & FISCAL IMPACTS

Policy Impact

RCW 41.50.152 requires disclosures of "excess compensation" costs to avoid the unknowing acceptance of significant future liability. The provisions of this contract could increase estimated future DRS retirement billings applicable to PERS Plan 1 members' accrued leave cash outs at time of retirement. There is currently one PERS 1 member who would be eligible to cash out vacation in excess of 240 hours and cash out 10 percent of sick leave, if any, upon retirement.

Fiscal Impact

The agreement reached with the Union will result in a net cost to the City of approximately \$4.8 million over the term of the four-year contract (January 1, 2019 – December 31, 2022), including the costs of the Fleet Technician Certification Incentive Pay MOU. Costs for 2019-2020 are included in the approved 2019-2020 budget. The costs for 2021 and 2022 will be included in the 2021-2022 budget proposals.

OPTIONS

1. Adopt the Resolution authorizing execution of 1) a successor labor agreement by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing Utilities, Parks & Community Services, Transportation, and Finance & Asset Management bargaining unit employees (Union) for the contract period starting January 1, 2019, and expiring on December 31, 2022; and 2) a memorandum of understanding (MOU) regarding Fleet Technician Certification Pay.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9667

AVAILABLE IN COUNCIL LIBRARY

2019-2022 successor labor agreement substantially in the form of the final agreement

Fleet Technician Certification Pay MOU substantially in the form of the final agreement