



TO: Elizabeth Pauli, City Manager

FROM: Karen Short, Human Resources Senior Analyst
Gary Buchanan, Human Resources Director
Kari L Louie, Senior Compensation & Benefits Manager
Dylan Carlson, Senior Labor Relations Manager

COPY: City Council and City Clerk

SUBJECT: Resolution – Authorize execution of a Collective Bargaining Agreement with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit – December 11, 2018

DATE: November 16, 2018

SUMMARY:

A resolution authorizing the execution of a Collective Bargaining Agreement as negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit.

STRATEGIC POLICY PRIORITY:

The requested resolution aligns with the City Council’s Strategic Policy Priority to encourage and promote an open, effective and results-oriented organization by providing for rates of pay and compensation for employees represented by the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit.

BACKGROUND:

The resolution will authorize execution of a 2018-2020 Collective Bargaining Agreement negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit. The agreement has been approved by the Public Utility Board as a Resolution on November 14, 2018. There are currently 8 full-time, budgeted positions in the bargaining unit.

The agreement covers three years, and provides for a wage increase in each year of the agreement. Effective January 1, 2018, wages for the bargaining unit will increase by 3 percent. Effective January 1, 2019, wages increase by 3.6 percent, the classifications of Railway Track Maintenance Worker (CSC 7120) and Railway Track Supervisor (CSC 7121) will receive an additional \$0.50 per hour at top step, and the classification of Railway Track Inspector (SCS 7119) will receive an additional \$0.66 per hour at top step. Effective January 1, 2020, wages increase by 3 percent. The financial impact statement provided addresses only the wage impacts.

Other significant changes in the agreement include a change from a reimbursement to an annual allowance for safety related footwear, rain gear and work clothing; an increase to the meal reimbursement rate to \$15 per meal. In addition, employees hired after the ratification date of the agreement will not be eligible for longevity pay.

The Agreement also commits Tacoma Rail to withdraw affected members from the Western Metal Industry Pension Fund (“WMIPF”), and assume all withdrawal liabilities in accordance with plan procedures and applicable law, which liabilities are estimated to be in a range of \$2,110,000 for a one-time payment, or \$37,000 a year for 20 years. The final withdrawal liabilities will be determined by WMIPF and presented in an estimate of withdrawal payment schedule following a formal extrication notice to the trustees. Tacoma Rail has included an amount in its budget to cover the projected annual payment amount.



ISSUE:

Authorization is required to execute the Collective Bargaining Agreement, including the necessary documents to withdraw the bargaining unit from the Western Metal Industry Pension Fund, as negotiated with the bargaining unit on behalf of the employees represented by the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit.

RECOMMENDATION:

It is recommended that the City Council take the necessary action to approve the legislation.

FISCAL IMPACT:

Fiscal impact has been provided by the Management Services Office. Department Directors will be responsible for adhering to their overall level of appropriation.