



**Metro**

Metropolitan Transportation Authority

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**METRO BOARD OF DIRECTORS**

**July 27, 2006**

**SUBJECT: APPROVAL OF FINAL LABOR AGREEMENTS AND MODIFICATIONS TO  
FY07 BUDGET**

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE  
SUCCESSOR COLLECTIVE BARGAINING AGREEMENTS AND AMEND  
THE FY07 BUDGET**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Execute a successor collective bargaining agreement with the United Transportation Union (UTU), effective July 1, 2006
- B. Execute a successor collective bargaining agreement with the Amalgamated Transit Union (ATU) Local 1277, effective July 1, 2006
- C. Execute a successor collective bargaining agreement with the Transportation Clerks Union (TCU), effective July 1, 2006
- D. Increase the labor budget for non-contract employees from 2% to 3% to provide for salary increases commensurate to the rates negotiated in the collective bargaining agreements for union employees
- E. Amend the FY07 budget in the amount of \$ 13.948 million for the implementation of the wage and benefit changes for the approval of the final collective bargaining agreements and for the increase in salaries for non-contract employees

**ISSUE**

On June 28, 2006, Metro reached tentative agreements with ATU, UTU and TCU on successor labor agreements for a term of three years, effective July 1, 2006 to June 30, 2009. The Metro Board of Directors ratified the elements of those tentative agreements at a Board Meeting on June 29, 2006. The membership of ATU ratified the tentative agreement on

June 29, 2006. UTU members subsequently ratified their tentative agreement on July 2, 2006 and TCU members ratified their agreement on July 6, 2006. These three new labor agreements are now being presented to the Board for final approval.

### **POLICY IMPLICATIONS**

The new labor agreements were negotiated consistent with the authorization that was approved by the Board of Directors.

### **OPTIONS**

The Board may choose not to ratify the new labor agreements.

### **FINANCIAL IMPACT**

These labor agreements are within the three-year authorization level approved by the Board of Directors. However, the additional expenditures and the funding for the implementation of the provisions of the three collective bargaining agreements is not included in the current fiscal year budget. Therefore, an amendment to the FY07 budget in the amount of \$13.948 million is required to increase the FY07 adopted budget to include these additional expenditures and funding.

Since most of the impact will be in the Enterprise Fund (bus and rail operating and capital), staff recommends funding the increased costs with Proposition C40% discretionary funds. The projected available Prop C40% fund balance post FY07 budget adoption is \$17 million. The \$1.1 million for non-contract employees will be funded according to the fund where the employee charges their time. For example, Bus and Rail operating employees will be funded with PC40% fund balance. All capital employees will be funded within the life-of-project budget for each capital project. All Planning Department staff and non-allocable staff (Inspector General, Ethics, Government Relations, etc.) will be funded from the current year Proposition A and C Administrative funds.

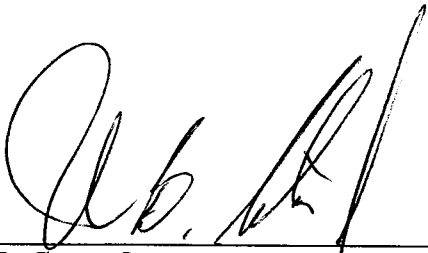
### **NEXT STEPS**

Changes, as agreed upon in the collective bargaining agreements, are being implemented. Further training, to cascade the interest based methodology throughout the Operations organization are being planned. Joint training programs for union officials and Metro staff on the new terms and implementation of the agreements are planned to start in August, 2006. The realignment of Labor Relations function and the changes in the grievance and arbitration processes with ATU and UTU are in process and will be completed by the beginning of the first quarter of the fiscal year.

**ATTACHMENT(S)**

- A. Summary of Settlement with UTU
- B. Summary of Settlement with ATU
- C. Summary of Settlement with TCU
- D. Financial Summary of changes to FY07 Budget

Prepared by: Carolyn Flowers, Executive Officer - Operations Administration



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John B. Catoe, Jr.  
Deputy Chief Executive Officer

**ATTACHMENT A**

**SUMMARY OF CHANGES TO THE AGREEMENT  
BETWEEN THE  
Los Angeles County Metropolitan Transportation Authority  
AND THE  
United Transportation Union**

<b>Term</b>	<ul style="list-style-type: none"> <li>July 1, 2006 – June 30, 2009</li> </ul>						
<b>Article I Schedule of Wages</b>	<ul style="list-style-type: none"> <li>Effective Dates, Basic Rates and Starting Rates – Straight Time Rates of Pay <table border="0"> <tr> <td>Effective July 1, 2006</td> <td>3.0%</td> </tr> <tr> <td>Effective July 1, 2007</td> <td>3.5%</td> </tr> <tr> <td>Effective July 1, 2008</td> <td>4.0%</td> </tr> </table> </li> <li>Any assignment ending after 12:00 am is paid \$.25 hour OWL differential</li> <li>Cost of Living Adjustment and Quarterly Wage Adjustment language (and any other “sleepers”) remains dormant during term of the labor agreement</li> </ul>	Effective July 1, 2006	3.0%	Effective July 1, 2007	3.5%	Effective July 1, 2008	4.0%
Effective July 1, 2006	3.0%						
Effective July 1, 2007	3.5%						
Effective July 1, 2008	4.0%						
<b>Article 4 Work Runs/Recovery Time</b>	<ul style="list-style-type: none"> <li>Recovery time set forth in Section 14 shall be guaranteed, and, in compliance with Wage Order No. 9</li> </ul>						
<b>Article 8 Qualifications</b>	<ul style="list-style-type: none"> <li>Any time Operators are required to attend training (i.e.: VTT, DDC, One-On-One, etc) they will receive their regular rate of pay</li> <li>Full time eligible rail operators shall be eligible to receive up to a maximum of two (2) \$125 vouchers per fiscal year</li> </ul>						
<b>Article 9 Hardship Cases</b>	<ul style="list-style-type: none"> <li>Operators (including part time operators) will be limited to one hardship transfer in any six-month period except for meritorious cases agreed to by the Sector General Manager and the UTU Local Chairman</li> </ul>						
<b>Article 18 Making of Reports</b>	<ul style="list-style-type: none"> <li>Operators will receive a pay allowance equal to 45 minutes of straight time pay when completing an accident report and a pay allowance equal to 10 minutes of straight time pay when completing a miscellaneous report or an operator’s daily log</li> </ul>						
<b>Article 19 Student Operators/ Trainee Schedulers</b>	An Line Instructor or Scheduler Maker who is assigned a student or giving instructions will be compensated at his/her regular rate plus \$2.00 per hour for time spent in instructing the student						
<b>Article 21</b>	<ul style="list-style-type: none"> <li>The MTA has agreed to pay Schedule Makers Mileage (for</li> </ul>						

Schedule/Makers Articles/Addendums	<p>personal auto use) and parking fee reimbursement.</p> <ul style="list-style-type: none"> <li>• Implementation of a Grievance Resolution Committee</li> </ul>
Article 22 Rail	<ul style="list-style-type: none"> <li>• Implementation of a Grievance Resolution Committee</li> </ul>
Article 24 Schedule Checkers	<ul style="list-style-type: none"> <li>• Implementation of a Grievance Resolution Committee</li> </ul>
Article 25 BDOF	<ul style="list-style-type: none"> <li>• Effective with the December 2006 shake-up Article 25 will be inactive during the term of this agreement. All BDOF Operators will be phased out (promoted to part time operator) during the term of this agreement. Work performed by BDOF will be put back into core service</li> </ul>
Article 26 Filing of Claims – Procedure - Limitations	<ul style="list-style-type: none"> <li>• Increased Management/UTU responsibility and accountability for administrating process at 1st step</li> <li>• Realignment of labor relations</li> <li>• Hearing Officer replaces, Executive Officer Labor Relations at 2nd step</li> </ul>
Article 27 Discipline Rule	<ul style="list-style-type: none"> <li>• Clarification of definitions – major infractions, miss-outs</li> <li>• Changes to work flow process for handling accidents and staffing structure for Accident Review Board.</li> <li>• Operator training/retraining</li> <li>• Accident analysis and follow-up</li> </ul>
Article 31 Leave of Absence	<ul style="list-style-type: none"> <li>• Leave not to exceed 6 months duration for CDL disqualification</li> </ul>
Article 37 Uniforms	<ul style="list-style-type: none"> <li>• The operator Uniform Allowance has been increased to \$350</li> </ul>
Article 38 Operator Quarters	<ul style="list-style-type: none"> <li>• MTA provided a Side Letter of intent to assure adequate restroom facilities</li> </ul>
Article 40 Jury Duty	<ul style="list-style-type: none"> <li>• Operators serving jury duty may elect to make up any lost wages by requesting to be being paid from their accrued sick leave or vacation banks at the employee's option. The employee will still receive a maximum two (2) hours' pay time at the straight time rate of pay</li> </ul>
Article 43 Vacations	<ul style="list-style-type: none"> <li>• Vacation will not be prorated for employees on approved leave for union business</li> <li>• 40 hours of vacation may be carried over to the next year if notice is given by April 1</li> </ul> <p>40 hours of vacation may be reserved and used in single day increments</p>

<b>Article 50 Part Time Employees</b>	<ul style="list-style-type: none"><li>• Allow part time operators to work VCB on month-to-month basis until December 2006 shake-up</li></ul>
<b>Article 59 Loaders (New)</b>	MTA will explore the concept of having employees at certain high traffic areas assist our operators in the safe, efficient loading and unloading of passengers from our buses

**ATTACHMENT B**

**SUMMARY OF CHANGES TO THE AGREEMENT  
BETWEEN THE  
Los Angeles County Metropolitan Transportation Authority  
AND THE  
Amalgamated Transit Union**

<b>Term</b>	<ul style="list-style-type: none"> <li>July 1, 2006 – June 30, 2009</li> </ul>
<b>Article I Schedule of Wages</b>	<ul style="list-style-type: none"> <li>Wage Increase:               <ul style="list-style-type: none"> <li>Effective July 1, 2006           3.0%</li> <li>Effective July 1, 2007           3.5%</li> <li>Effective July 1, 2008           4.0%</li> </ul> </li> <li>Rail Equipment Specialist Position classification created.</li> <li>Eliminated Fare Collection Technician (FCT) classification and reclassify all current FCT incumbents as Electronic Communication Technicians.</li> <li>Pay rate for Electronic Communication Technician (ECT) rate changed to same as the Machinist classification.</li> <li>Differential for employees performing REG4 inspections.</li> <li>Quarterly Wage Adjustment language remains dormant during term of labor contract.</li> </ul>
<b>Article 2 Special Wage Provisions</b>	<ul style="list-style-type: none"> <li>On call pay provision extended to all classifications including Non-Revenue Mechanics.</li> </ul>
<b>Article 3 Overtime</b>	<ul style="list-style-type: none"> <li>Comp Time Off can be taken at a minimum of four (4) hours.</li> </ul>
<b>Article 8 Vacancies and New Positions</b>	<ul style="list-style-type: none"> <li>Number of students participating in each class of the Mechanic C Training Program increased from twelve (12) to fourteen (14).</li> </ul>
<b>Article 11 Distribution of Work</b>	<ul style="list-style-type: none"> <li>Sub-contracting allowance changed. Side Letter allows the MTA to sub-contract out the installation of 350 new engines after 100 Mechanics are promoted to Master Mechanic classification.</li> </ul>
<b>Article 13 Leaders</b>	<ul style="list-style-type: none"> <li>Removed reference to additional \$1 per hour for Leader classifications. Rates of pay are reflected in Article 1.</li> </ul>
<b>Article 15 Seniority</b>	<ul style="list-style-type: none"> <li>Removed reference to Revenue Department.</li> </ul>
<b>Article 19 Grievance Procedure</b>	<ul style="list-style-type: none"> <li>Implementation of a Step Two Grievance Resolution Committee.</li> </ul>



<b>Article 35 Coffee Breaks, Clean Up and Lunch</b>	<ul style="list-style-type: none"> <li>• Employees working through their lunch as approved by their supervisor will have the option of being paid in accordance with Article 3 or may leave one half (1/2) hour early.</li> <li>• Article renamed from “Coffee Breaks and Clean Up”.</li> </ul>
<b>Article 36 Health Benefit Fund</b>	<ul style="list-style-type: none"> <li>• MTA contributions to the Health Benefit Trust Fund as follows:</li> <li>• Year 1           10%*</li> <li>• Year 2           10%</li> <li>• Year 3           10%</li> <li>• * The August 2006 Health and Welfare payment will be reduced by \$900,000.</li> </ul>
<b>Article 37 Pension Plan</b>	<ul style="list-style-type: none"> <li>• Three payments to all retirees receiving a pension of \$400 paid November 15 of 2006, 2007 and 2008.</li> <li>• Change from high 36 months average to highest 12 months average effective July 1, 2008.</li> </ul>
<b>Side Letters:</b>	<ul style="list-style-type: none"> <li>• <u>Master Mechanic and Engine Installation Sub Contracting</u></li> </ul>
<b>Promotion Review Panel</b>	<ul style="list-style-type: none"> <li>• <u>Leader promotions for any classification to be reviewed by the Promotional Review Panel.</u></li> </ul>
<b>Joint Apprenticeship Committee</b>	<ul style="list-style-type: none"> <li>• Signal Inspector, Traction Power Inspector and any other classification deemed appropriate by the Committee to be included as potential training classes offered.</li> </ul>
<b>Service Attendant Progression</b>	<ul style="list-style-type: none"> <li>• Service Attendants hired before July 1, 1994 will be reclassified to Senior Service Attendants.</li> <li>• Implementation of an attendance based incentive program for Service Attendant Progression.</li> </ul>
<b>Articles with no changes</b>	<ul style="list-style-type: none"> <li>• 4, 5, 6, 7, 9, 10, 12, 14, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 38, 39, 40, 41, 42, 43, and 44</li> <li>Side letters: “Assigned Line”, EPA Certification Requirement, Pension Plan, Mechanic C Training Program, and Workers Compensation</li> </ul>

## ATTACHMENT C

### SUMMARY OF CHANGES TO THE AGREEMENT BETWEEN THE Los Angeles County Metropolitan Transportation Authority AND THE Transportation Communications Union

<b>Term</b>	<ul style="list-style-type: none"> <li>• <u>July 1, 2006 – June 30, 2009</u></li> </ul>
<b>Article 1 Scope</b>	<ul style="list-style-type: none"> <li>• Add the following to section e: Customer Relations Clerk Manpower/Payroll Materiel Clerk</li> <li>• Add language that all PAD positions will be posted in accordance with Article 15, excluding seniority provisions.</li> </ul>
<b>Article 2 Schedule of Wages</b>	<ul style="list-style-type: none"> <li>• 3.0% Wage Increase effective 7/1/06</li> <li>• 3.5% Wage Increase effective 7/1/07</li> <li>• 4.0% Wage Increase effective 7/1/08</li> <li>• Add the following to the classification and wage list: Customer Relations Clerk Manpower/Payroll Materiel Clerk</li> </ul>
<b>Article 5 Hours of Service</b>	<ul style="list-style-type: none"> <li>• Flexible work schedules may be established by mutual agreement between the parties.</li> </ul>
<b>Article 7 Short Vacancies/Overtime</b>	<ul style="list-style-type: none"> <li>• Union leave used to investigate grievances as well as attend meetings or conferences requested by management will be considered as hours worked for the purpose of overtime eligibility.</li> </ul>
<b>Article 14 Promotion, Assignments, and Displacements</b>	<ul style="list-style-type: none"> <li>• Add Customer Relations Clerk to Family Group B</li> <li>• Add Manpower/Payroll Materiel Clerk to Family Group E</li> </ul>
<b>Article 15 Filling of Positions</b>	<ul style="list-style-type: none"> <li>• Add new language that no more than nine employees will be permitted to successfully bid out of the Information Department between shake-ups.</li> </ul>
<b>Article 20 Appointment to Non- Bargaining Unit Positions and Positions in Another Craft</b>	<ul style="list-style-type: none"> <li>• When a Union member accepts a position in another craft (bargaining unit) the employee has six months probationary period to decide if he/she wants to return to TCU.</li> </ul>
<b>Article 21</b>	<ul style="list-style-type: none"> <li>• An employee accepting a position in another craft and who elects to</li> </ul>

<b>Displacement on Return From Leave of Absence</b>	return to the TCU bargaining unit may return to their old position provided it has not been abolished or taken by a senior employee.												
<b>Article 25 Equipment Furnished</b>	<ul style="list-style-type: none"> <li>• Employees may opt to be issued a department-designated jacket in exchange for a uniform or uniforms of an equivalent cost.</li> </ul>												
<b>Article 35 Vacations</b>	<ul style="list-style-type: none"> <li>• Employees with unused vacation time may carry forward into the next vacation year one week (40 hrs); notification to be submitted by April 1<sup>st</sup>.</li> </ul>												
<b>Article 37 Health and Welfare</b>	<ul style="list-style-type: none"> <li>• The MTA contributions for full time employees increased by 10% per year. Establish contributions to health care for Part-time employees.</li> </ul> <table border="0" style="margin-left: 40px;"> <tr> <td>Effective</td> <td>Full-Time</td> <td>Part-Time</td> </tr> <tr> <td>7/1/06</td> <td>\$883/Mo.</td> <td>\$415/Mo.</td> </tr> <tr> <td>7/1/07</td> <td>\$972/Mo.</td> <td>\$457/Mo.</td> </tr> <tr> <td>7/1/08</td> <td>\$1,069/Mo.</td> <td>\$502/Mo.</td> </tr> </table>	Effective	Full-Time	Part-Time	7/1/06	\$883/Mo.	\$415/Mo.	7/1/07	\$972/Mo.	\$457/Mo.	7/1/08	\$1,069/Mo.	\$502/Mo.
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7/1/08	\$1,069/Mo.	\$502/Mo.											
<b>Article 38 Pension Plan</b>	<ul style="list-style-type: none"> <li>• Change plan earnings assumption to 8.0% effective July 1, 2006. Eliminate good health statement on lump sum payment.</li> </ul>												
<b>Article 40 Bereavement Leave</b>	<ul style="list-style-type: none"> <li>• Add domestic partner as member of immediate family. Domestic partners must be registered with the California Secretary of State.</li> </ul>												
<b>Article 46 Part-Time Employees</b>	<ul style="list-style-type: none"> <li>• Increase the number of Part-Time employees to 20% of the total full time Custodians or Customer Information Agent Is, allowing Metro to maintain a permanent Part-Time workforce.</li> <li>• Existing Full-Time employees can be reduced through attrition only.</li> <li>• Part-Time employees to be provided with employee-only medical benefits.</li> </ul>												
<b>Article 47 Effective Dates-Duration-Termination</b>	<ul style="list-style-type: none"> <li>• Duration: July 1, 2006 - June 30, 2009</li> </ul>												
<b>Article 48 Workers' Compensation</b>	<ul style="list-style-type: none"> <li>• Housekeeping: Change all reference of Ombudsmen to Injured Workers' Advocate</li> </ul>												
<b>Side Letter of Agreement #2006A – Joint Labor Management Committee</b>	<ul style="list-style-type: none"> <li>• Parties agree to work jointly on addressing the following outstanding issues: management's need for additional PAD positions, equitable distribution of overtime, improving attendance and review opportunities for the purchase of additional insurance at no cost to Metro.</li> </ul>												
<b>Side Letter of Agreement #2006B</b>	<ul style="list-style-type: none"> <li>• In the event of a layoff or abolishment on Roster 7, the junior person on the roster will be displaced regardless if holding a PAD position.</li> </ul>												

**ATTACHMENT D**

**LABOR NEGOTIATION FINANCIAL IMPACT SUMMARY**

**AMENDMENT TO FY07 BUDGET**

UTU	Millions	Explanation
Wages	2.643	Increase from 2 to 3%
Medical	(0.184)	Decrease from 8.57% to 8%
Wages	0.100	Increase in mentor training pay rates
Wages-Non-work time	0.072	Increase allocation for report time
Benefits-Uniform allowance	0.180	Increase in uniform allowance of \$40/employee
Non-work time	3.600	Cash flow impact of 1st day sick pay
	<u>6.411</u>	
ATU	1.271	Increase from 2 to 3%
Medical	0.321	Increase from 8.57 to 10%
August 2006 Medical Payment	<u>(0.900)</u>	Holdback of August 2006 medical payment to trust fund
	<u>0.692</u>	
Other		
Scheduling changes	3.400	Wage Order #9- Implementation of legal compliance guarantees
Training and implementation	2.000	Training and implementation
	<u>5.400</u>	
TCU	0.364	Increase from 2 to 3%
Medical	<u>(0.119)</u>	No increase in retiree medical
	<u>0.245</u>	
Non-Contract	1.200	Increase from 2 to 3%
Total projected budget impact	13.948	