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**BOARD OF DIRECTORS
DECEMBER 7, 2006**

SUBJECT: APPROVAL OF FINAL LABOR AGREEMENT WITH TEAMSTERS UNION AND MODIFICATION TO FY07 BUDGET

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

RECOMMENDATION

Authorize the Chief Executive Officer to:

- A. Execute a successor collective bargaining agreement with the Teamsters Union, effective October 1, 2006, and
- B. Amend the FY07 budget in the amount of \$228,750 for the implementation of the wage and benefit changes for the approval of the final collective bargaining agreement.

ISSUE

On October 23, 2006, Metro reached a tentative agreement with the Teamsters Union on a successor labor agreement for a term of three years, effective October 1, 2006. The membership of the Teamsters Union ratified the tentative agreement on November 8, 2006. This labor agreement is now being presented to the Board for final approval.

POLICY IMPLICATIONS

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

OPTIONS

The Board may choose not to ratify the new agreement.

FINANCIAL IMPACT

This labor agreement is 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 collective bargaining agreement are not

included in the current year budget. Therefore, an amendment to the FY07 budget in the amount of \$228,750 is required to increase the FY07 adopted budget for Cost Center 2610--Transit Security to include these additional expenditures and funding.

Since most of the impact will be in the Enterprise Fund (bus and rail and operating), staff recommends funding the increased costs with savings from the FY07 budget from the fuel accounts.

NEXT STEPS

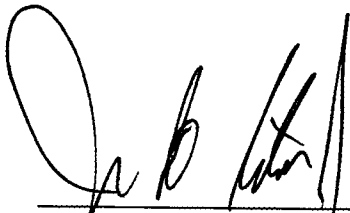
Changes, as agreed upon in the collective bargaining agreement, are being implemented. Further training to cascade the interest-based methodology throughout the department is being planned. Joint training programs for union officials and Metro staff on the new terms and implementation of the agreements are planned to start in December 2006. The realignment of Labor Relations functions and the changes in the grievance and arbitration processes with the Teamsters Union are in process and will be completed by the end of the third quarter of this fiscal year.

Further, the agency is currently considering potential changes to the existing transit security program. Thus, the agreement includes provision for a contract reopener on a limited basis and at the desire of either party should the agency take formal action to change its current security model. If security program modifications are adopted by the Board and the contract reopened as a result, any contract revisions will be brought to the Board for ratification.

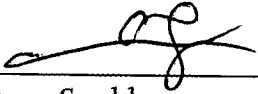
ATTACHMENTS

- A. Summary of Settlement with Teamsters Union
- B. Financial Summary of Changes to FY07 Budget

Prepared by: Carolyn Flowers, Acting Chief Operating Officer



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

ATTACHMENT A

Teamsters – MTA 2006 Labor Negotiations

Topic	Changes
Article 4- Union Rights and Responsibilities	Teamsters may have a mutually agreed upon number of employees serve on the negotiating team.
Article 5- Compensation	<p>Wage Increase:</p> <p>Effective October 1, 2006 3.0 %</p> <p>Effective October 1, 2007 3.5 %</p> <p>Effective October 1, 2008 4.0 %</p> <p>MTA may eliminate at any time one or more of the entry steps in the wage progression.</p> <p>Language moved from Sideletter 2000-02 into contract (additional 5% compensation for Senior Transit Security Officers assigned to the duties of Watch Commander).</p> <p>Pay allowance of \$15 per day (7 days a week) to any officer responsible for a K9 unit.</p> <p>K9 officers on call will be paid 1 hour pay for each 24 hour period on-call. An officer called out for work shall work and be paid 4 hours at overtime rate.</p>
Article 6- Shifts and Schedules	<p>Bidding for assignment/shift/days off will be based on seniority.</p> <p>Shift trades can be approved by Director for hardships.</p>
Article 11- Leaves of Absence	Military leave language revised in accordance with State and Federal law.
Article 14- Holidays	Clarification for fixed holidays being paid on the day the actual holiday falls.
Article 16- Uniforms and Equipment	Employees will be provided a \$250 shoe voucher each year.
Article 17- Discipline	<p>A tardy will count as ½ of an absence instance.</p> <p>A tardy can be excused by manager for mitigating circumstances.</p>
Article 23- Retirement	Employees are eligible to participate in the PTSC's 457 plan in addition to the 401K plan.
Article 32- Insurance	<p>Freeze the payment cap in the first year of the contract (2005 = \$803 and in 2006 it remains at \$803). MTA did agree that a prepaid legal benefit could be added if the total amount stayed below the cap.</p> <p>Cap increased 8% Effective October 1, 2007 – up to \$867 per month</p> <p>Cap increased 8% Effective October 1, 2008 – up to \$937 per month</p> <p>Move the \$48,982 Health Insurance contingency dollars to Training and Equipment</p>
Article 33- Term of Agreement	October 1, 2006 – September 30, 2009

Article 35- Miscellaneous Benefits	New article added to replace Sideletter 1997-03 permitting employees to participate in PTSC's Non-Represented Education Assistance Program. Employees are eligible to participate in PTSC's Flexible Spending Account program.
Sideletter of Agreement 1997-03	Educational Assistance sideletter removed- language moved to Article 35.
Sideletter of Agreement 2000-01	Agreement on internal posting procedures extended to promotions of any position.
Sideletter of Agreement 2000-02	Pay when acting as Watch Commander sideletter removed- language moved to Article 5
Sideletter of Agreement 2000-03	Bidding Sideletter removed – language amended and moved to Article 6.
New Sideletter of Agreement 2006-01	Re-opener permitted if the security model changes as a result of Board action. Intent of re-opener is not to change any of the financial terms of the 2006 negotiations.
New Sideletter of Agreement 2006-02	A joint labor-management committee will address issues of equipment, training and other issues of interest. \$48,982 moved from the Health Insurance contingency to fund equipment and/or training that comes out of committee.
Articles with no changes:	1, 2, 3, 7, 8, 9, 10, 12, 13, 15, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 34, Sideletter of Agreement 2003-01, Sideletter of Agreement 2003-02, Sideletter of Agreement 2003-03

ATTACHMENT B

LABOR NEGOTIATION FINANCIAL IMPACT SUMMARY

AMENDMENT TO FY07 BUDGET

	<u>Cost</u>	<u>Explanation</u>
Compensation	37,409.43	Increase from 2% to 3%
	16,380.00	Addition of canine allowance of \$15 per day, 7 days per week per handler
Uniform allowance	174,960.00	Increase in shoe allowance from \$70/year to \$250/year
Total increase	<u>228,749.43</u>	