

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6A
Meeting Date: 6/25/24

DATE: June 21, 2024

TO: Port of Tacoma Commission

FROM: Eric Johnson, Executive Director
Sponsor: Erin Galeno, Chief Financial & Administrative Officer
Project Manager: Michael Dehner, Sr. Manager, Labor and Employee Relations

SUBJECT: Terminal Security Officer Collective Bargaining Agreement Approval
(Five-Year Port of Tacoma/ILWU Local 22 TSO Labor Agreement)

A. ACTION REQUESTED

Authorize the Executive Director or his delegate to enter into a five-year collective bargaining agreement (CBA) with the ILWU Local 22 Terminal Security Officers (TSOs) for the period for the period of November 1, 2023 through October 31, 2028.

Strategic Plan Initiatives: OS-1, OS-2, and OS-6

B. BACKGROUND

Under the terms of a Security Services Agreement between SSA Terminals (Tacoma) LLC (SSAT) and the Port of Tacoma, the Port provides terminal security services and charges the cost, plus an administration fee, to SSAT. The Port of Tacoma is party to a CBA with Local 22 TSOs, which governs the wages, hours, and working conditions for 13 Regular full-time TSOs and five Relief Officers who provide those terminal security services.

Initially, the parties extended the CBA which expired on October 31, 2023, and negotiations for a successor agreement to the CBA began in earnest during January 2024. On March 25, 2024, the parties reached a tentative agreement for a successor agreement, and on May 17, 2024, the TSO bargaining unit members rejected the tentative agreement. The parties subsequently reached a new tentative agreement, which was ratified by the TSO bargaining unit members. The Commission is now requested to authorize the Executive Director or his delegate, on behalf of the Port of Tacoma, to approve and sign the CBA in its entirety.

C. KEY CONTRACT PROVISIONS

1. Duration: November 1, 2023 through October 31, 2028
2. Created scheduling incentives and improved accountability of Relief Officers
3. Clarifies Management Rights to select and require staff training, and provides an LRC venue for resolving disputes
4. Added a holiday pay benefit for staff who actually work on designated holidays
5. Created shift differentials and weekend premiums
6. Added overtime eligibility
7. Clarified minimum call-back provisions

8. Clarified probationary provisions
9. Incorporated a seniority tie-breaker
10. Adopted a new corrective action model focused on problem-solving
11. Adopted a new grievance process to streamline dispute resolution
12. Provides annual across-the-board wage increases effective April 1 each year:
 - Year 1: 7% (paid retroactively back to CBA expiration on 10/31/2023)
 - Year 2: 6%
 - Year 3: 4%
 - Year 4: 3%
 - Year 5: 3%

D. FINANCIAL SUMMARY

| PROPOSED COSTS | | | | | | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------------------|
| | Base Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total for Contract | Compound Annual Growth Rate |
| Total Wages | \$ 1,037,901 | \$ 1,178,282 | \$ 1,248,798 | \$ 1,298,630 | \$ 1,337,499 | \$ 1,377,534 | \$ 6,440,744 | 5.8% |
| Payroll Taxes | 91,594 | 102,630 | 108,173 | 112,091 | 115,146 | 118,294 | \$ 556,334 | 5.2% |
| Pension | 98,912 | 112,290 | 119,010 | 123,759 | 127,464 | 131,279 | \$ 613,803 | 5.8% |
| Medical | 467,819 | 514,583 | 566,022 | 622,604 | 684,843 | 753,305 | \$ 3,141,358 | 10.0% |
| All Other Benefits | 24,073 | 22,700 | 23,381 | 24,082 | 24,804 | 25,549 | \$ 120,515 | 1.2% |
| Grand Total | \$ 1,720,300 | \$ 1,930,484 | \$ 2,065,385 | \$ 2,181,167 | \$ 2,289,757 | \$ 2,405,961 | \$ 10,872,753 | 6.9% |
| Year over Year Annual Increase | | \$ 210,184 | \$ 134,901 | \$ 115,782 | \$ 108,590 | \$ 116,204 | | |
| Average Annual Contract Cost | | | | | | | \$ 2,174,551 | |