

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6A
Meeting Date: 12/19/23

DATE: December 11, 2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jean West, Chief Human Resources Officer
Project Manager: Michael Dehner, Sr. Manager, Labor and Employee Relations
SUBJECT: Approval of 5-Year Port of Tacoma/ILWU Local 22 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 Port Workers Group for the period April 1, 2023 through March 31, 2028.

Strategic Plan Initiative: OS-1, OS-2, and OS-6.

B. BACKGROUND

The Port of Tacoma is party to a CBA with Local 22 Port Workers Group which governs the wages, hours, and working conditions for 104 full-time employees. Beginning in January 2023, the parties undertook negotiations for a successor agreement to the CBA that initially expired on April 1, 2023.

On October 25, 2023, the parties reached a tentative agreement for a successor agreement, and on December 6, 2023, the bargaining unit members voted to ratify the tentative agreement. The Commission is now asked to authorize the Executive Director or delegate, on behalf of the Port of Tacoma, to approve and sign the CBA in its entirety.

C. KEY CONTRACT PROVISIONS

1. Duration: April 1, 2023 through March 31, 2028
2. Created standby duty and related compensation practices
3. Addressed gendered language in the CBA
4. Harmonized and expanded eligibility for bereavement and sick leave usage
5. Adopted reimbursement model for safety shoes
6. Adopted a new corrective action model focused on problem-solving
7. Adopted a new grievance process to streamline dispute resolution

8. Provides annual across-the-board wage increases effective April 1 each year:
- Year 1: 9% (paid retroactively back to CBA expiration on 4/1/2023)
 - Year 2: 4%
 - Year 3: 3%
 - Year 4: 3%
 - Year 5: 5%

D. FINANCIAL SUMMARY

CONTRACT COSTS

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total for Contract
Total Wages	\$ 12,162,608	\$ 13,453,291	\$ 13,956,790	\$ 14,375,494	\$ 14,880,241	\$ 15,547,097	\$ 72,212,913
Total Benefits and Taxes	5,926,553	6,529,784	6,931,634	7,352,351	7,827,595	8,382,548	37,023,912
Grand Total	\$ 18,089,161	\$ 19,983,075	\$ 20,888,424	\$ 21,727,845	\$ 22,707,837	\$ 23,929,645	\$ 109,236,825
Average Annual Contract Cost							\$ 21,847,365
Compound Annual Growth Rate Wages							5.03%
Compound Annual Growth Rate Benefits Excluded FICA & PERS							8.37%
Compound Annual Growth Rate Total							5.76%
Year over Year Change	\$ -	\$ 1,893,914	\$ 905,349	\$ 839,421	\$ 979,992	\$ 1,221,808	\$ 5,840,484
Year over Year Change %		10.5%	4.5%	4.0%	4.5%	5.4%	

The financial impact of this agreement is in alignment with the 2023 budget and plan of finance.