

Item: 6A

Date: 12/19/23

Approval of 5-Year Port of Tacoma/ILWU Local 22 Labor Agreement

Michael Dehner

Senior Manager, Labor and Employee Relations

Port of Tacoma Commission Meeting

Date: December 19, 2023



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.

- The ILWU Local 22 Port Workers Group consists of 104 full-time employees in Facilities Maintenance, Administration, Operations, and Equipment Maintenance.
- The current CBA originally expired on March 31, 2023 (extended several times during bargaining).
- The parties undertook negotiations for a successor agreement beginning in January 2023.
- The parties initially reached a tentative agreement on August 15, but it failed a ratification vote.

- The parties enlisted the help of a PERC mediator, but progress was slow.
- Mediation was put on hold, and the parties returned to the table for several more sessions of direct negotiations.
- The parties secured a second tentative agreement on October 25, and the Local 22 PWG membership ratified the TA on December 6.

- Replaced the disciplinary provisions and grievance process with a more efficient and collaborative model
- Improved contracting-out language
- Created standby duty for Facilities Maintenance staff
- Addressed gendered language in the CBA
- Aligned and expanded eligibility for bereavement and sick leave usage
- Adopted reimbursement model for safety shoes

- Increased Environmental Technicians' and ET Leads' wage rate to match the Buildings & Grounds rates (\$52.27 and \$55.40 per hour, respectively), creating better parity
- Eliminated the extended shift meal premium
- Sunsetted the monthly VEBA payment, effective upon CBA expiration
- Annual across-the-board wage increases:
 - Year One: 9% (paid retroactively from CBA start on 4/1/2023)
 - Year Two: 4%
 - Year Three: 3%
 - Year Four: 3%
 - Year Five: 5%

Summary of Economic Impact

Annual Increase: 9%, 4%, 3%, 3%, 5%

PROPOSED 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%	

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Annual Growth Rates in Percentages</u>					
Salary Increase	9.00%	4.00%	3.00%	3.00%	5.00%
Medical Benefits Increase	8.27%	8.52%	8.78%	9.06%	9.06%
Life Insurance & Long Term Disability	30.52%	3.00%	3.00%	3.00%	3.00%
Medical VEBA	0.00%	0.00%	0.00%	0.00%	0.00%
Vacation & Sickleave Reserve	9.00%	4.00%	3.00%	3.00%	5.00%
Post Retirement VEBA	4.60%	3.00%	3.00%	3.00%	4.00%
<u>Rates of Pay in Percentages</u>					
FICA	7.65%	7.65%	7.65%	7.65%	7.65%
Employer PERS Contribution Rate	10.39%	10.39%	10.39%	10.39%	10.39%
<u>Rates in Dollars (per person/per month)</u>					
Medical/Vision/Dental	\$ 2,462.27	\$ 2,665.87	\$ 2,892.90	\$ 3,146.86	\$ 3,431.89
Life Insurance & Long Term Disability	\$ 56.75	\$ 74.07	\$ 76.29	\$ 78.58	\$ 80.94
Medical VEBA	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Vacation & Sickleave Reserve	\$ 121.74	\$ 125.31	\$ 130.32	\$ 134.23	\$ 138.26
Post Retirement VEBA (72 employees are eligible)	\$ 246.06	\$ 257.38	\$ 265.10	\$ 273.05	\$ 281.25

Authorize the Executive Director or his delegate to enter into a five-year CBA with the ILWU Local 22 Port Workers Group for the period April 1, 2023 through March 31, 2028.



Thank You

Questions & Discussion



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