

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
201721

Resolution:
 Yes No

TITLE:

Local 639, IBT MOU & Amend WMATA Retirement Plan

PRESENTATION SUMMARY:

To request the WMATA Board of Directors approve the negotiated Tentative Agreement with Local 639, International Brotherhood of Teamsters and amendment to the WMATA Retirement Plan.

PURPOSE:

To request approval of the negotiated Tentative Agreement with Local 639, International Brotherhood of Teamsters Law Enforcement Division (Metro Special Police) covering wages and work rules for the bargaining unit comprised of approximately 120 Special Police Officers employed by WMATA which requires an amendment to the WMATA Retirement Plan. The terms as outlined in the attached Fact Sheet and Memorandum of Understanding were ratified by vote of the Local 639 membership on February 10, 2016.

DESCRIPTION:

On February 8, 2016, the parties reached Tentative Agreement on the 2013-2016 Collective Bargaining Agreement (CBA). The agreement fixed the basic economic terms for FY2014-2017, as well as work rule modifications for the same time period. Local 639 membership ratified the Tentative Agreement on February 10, 2016.

The execution of this Tentative Agreement, now entitled Memorandum of Understanding (MOU), allows WMATA to work toward the goal of wisely using every resource.

Key Highlights:

WMATA and Local 639, International Brotherhood of Teamsters, Law Enforcement Division (Metro Special Police) have reached a Tentative Agreement, now entitled Memorandum of Understanding (MOU), for a collective bargaining agreement (CBA) that extends through September 30, 2016.

The execution of this MOU will forego interest arbitration which was scheduled to begin in February 2016.

Key CBA changes include:

General Wage Increases

| | |
|--------------------|------|
| October 1, 2013 | 3.0% |
| October 1, 2014 | 4.0% |
| October 1, 2015 | 4.0% |
| September 30, 2016 | 2.0% |

Pension

Effective with approval by the WMATA Board of Directors, new hires will not be eligible to participate in the defined benefit pension plan. Thus, new employees will become participants in WMATA's defined contribution plan. This requires an amendment to the WMATA Retirement Plan.

Health and Welfare

Effective with approval by the WMATA Board of Directors, new hires will not be eligible for retiree medical coverage.

Work Rules

- Established Special Event and Emergency mandatory overtime.
- Revamped overtime rules to establish a voluntary overtime sign-up list.
- Modified grievance procedure to expedite the process.
- Established that employees must proactively monitor and remain in compliance with WMATA's Fatigue Management Policy.
- Increased uniform allowance to \$550 per year (from \$450), as of January 1, 2016 (no increases were negotiated for prior two CBAs).

Background and History:

WMATA's Board of Directors approved on June 28, 2012, resolution 2012-18, which adopted a tentative agreement reached by The Washington Metropolitan Area Transit Authority (the "Authority") and Local 639, IBT (the "Union") to amend the then-existing CBA and extend its terms. The CBA became amendable on October 1, 2013. Beginning August 2013, the parties met over a protracted period of time and conducted an extensive number of negotiation sessions culminating in a Tentative Agreement, now entitled Memorandum of Understanding (MOU), to extend the expired CBA for the period of October 1, 2013 through September 30, 2016. The MOU was ratified by vote of the Local 639, IBT membership on February 10, 2016.

References to sections and subsections are to those contained in the CBA. Sections and subsections are to be amended, or new sections or subsections added, as necessary to comply with these terms. All amendments are to be effective on the date of ratification by both parties, unless otherwise indicated. All sections and subsections not affected by these amendments are to continue in effect without change.

Discussion:

Not applicable to this action.

FUNDING IMPACT:

| | |
|----------------------------|---|
| Budget: | Operating Budget, Fiscal 2013-2018 |
| Project/Account: | Salary and Fringe Benefits |
| Project Manager: | N/A |
| Project Department/Office: | MTPD |
| This Action: | \$2,038,084 |
| Remarks: | The estimated financial impact of the agreement is \$2,038,084, including retroactive payments covering FY2014 to FY2016 and an additional two percent increase for FY2017 (effective October 1, 2016). WMATA has been accruing expenses in anticipation of an agreement, and the agreement is within the expected range. |

TIMELINE:

| | |
|---|----------------------------------|
| Previous Actions | No prior approvals. |
| Anticipated actions after presentation | No anticipated actions required. |

RECOMMENDATION:

Approval of the attached resolution which approves the Memorandum of Understanding including the economic terms for FY2014-FY2017, for the 2013-2016 Collective Bargaining Agreement between WMATA and Local 639, International Brotherhood of Teamsters Law Enforcement Division (Metro Special Police) and authorizes the General Manager/Chief Executive Officer to execute a new Collective Bargaining Agreement accomplishing this action. Approval of an amendment to the WMATA Retirement Plan.

PRESENTED AND ADOPTED: February 25, 2016

SUBJECT: LABOR AGREEMENT WITH LOCAL 639, INTERNATIONAL BROTHERHOOD OF TEAMSTERS LAW ENFORCEMENT DIVISION (METRO SPECIAL POLICE) AND WMATA RETIREMENT PLAN AMENDMENT

2016-10

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, Local 639 of the International Brotherhood of Teamsters Law Enforcement Division (Local 639) represents a majority of the Special Police Officers of the Washington Metropolitan Area Transit Authority (WMATA) for purposes of collective bargaining; and

WHEREAS, The 2010-2013 Labor Agreement covering the wages, hours and working conditions of these employees expired September 30, 2013; and

WHEREAS, WMATA and Local 639 have engaged in protracted collective bargaining since the expiration date of the 2010-2013 Labor Agreement, and were scheduled for interest arbitration of the wages, hours and working conditions for these employees during the month of February 2016, and

WHEREAS, The parties engaged in mediation on February 8, 2016, in an effort to reach a new labor agreement; and

WHEREAS, A majority of the voting union membership ratified the Tentative Agreement on February 10, 2016; and

WHEREAS, On February 18, 2016, the parties executed a Tentative Agreement, now entitled Memorandum of Understanding (MOU); and

WHEREAS, The significant provisions of the MOU are described in the attached fact sheet; and

WHEREAS, One significant provision freezes the defined benefit pension plan to new hires, which requires an amendment to the WMATA Retirement Plan; and

WHEREAS, The estimated financial impact of the agreement is \$2.04 million, including retroactive payments covering Fiscal Year (FY) 2014 to FY2016 and an additional two percent increase for FY2017 (effective September 30, 2016); now, therefore be it

Motioned by Mr. Evans, seconded by Mr. Corcoran

Ayes: 8 – Mr. Evans, Ms. Harley, Mr. Corcoran, Mr. Downey, Mr. Dormsjo, Mr. Goldman, Mrs. Hudgins and Ms. Tregoning

RESOLVED, That the Board of Directors approves the MOU reached between WMATA and Local 639 covering the wages, hours, and working conditions of these employees; and be it further

RESOLVED, That the General Manager/Chief Executive Officer is authorized to execute a new Labor Agreement completing the terms of the 2013-2016 Labor Agreement until replaced by a successor agreement; and be it further

RESOLVED, That section 2.01 of the WMATA Retirement Plan is hereby amended to read as follows:

Each Full Time Employee who, prior to January 1, 1999, was not a Participant in any other pension plan to which the Authority contributes will participate in this Plan. Except as otherwise expressly provided herein, no Employee who commenced employment with the Authority on or after January 1, 1999 (February 25, 2016 for members of the Special Police), and no Person who is re-employed by the Authority on or after January 1, 1999 (February 25, 2016 for members of the Special Police), shall be eligible to participate in this Plan. Persons re-employed by the Authority on or after January 1, 1999 will participate in this Plan if:

- (a) their previous Authority employment either (i) caused them to be entitled to a Deferred Vested Retirement Pension under this Plan; or (ii) if not entitled to a Deferred Vested Retirement Pension, their period of separation from the Authority was less than the amount of Credited Service they had accrued under this Plan in their previous period of employment with the Authority

AND

- (b) they are re-employed in a position which, but for the date of re-employment, would have made them Participants in this Plan.

No person transferring from another pension plan to which the Authority contributes on or after January 1, 1999 (February 25, 2016 for members of the Special Police), will participate in this Plan unless that person had at least one year of Credited Service in this Plan at the time of the transfer.

Persons first hired by the Authority or first transferring from a long-term temporary classification into a position covered by this Plan (other than as a Special Police Officer) between January 1, 1998 and January 1, 1999, had a one-time irrevocable option to elect coverage under this Plan or under the new WMATA Defined Contribution Retirement Plan. This option had to have been elected in writing no later than March 31, 1999. Any such election was filed

with the Authority's Director of Human Resources Management & Planning with a copy to the Plan's Secretary. If no option was filed by the deadline, that employee is considered a member of this Plan.

Leased Employees will not be eligible to participate in this Plan; and be it finally

RESOLVED, That this Resolution shall be effective immediately, as it deals solely with WMATA internal management.

Reviewed as to form and legal sufficiency,



Mark R. Pohl
Acting General Counsel

WMATA File Structure Nos.:
7.6.3 Defined Benefit (Pension)
14.2 Collective Bargaining Agreements

**FACT SHEET
MEMORANDUM OF UNDERSTANDING BETWEEN
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY and
LOCAL 639, INTERNATIONAL BROTHERHOOD OF TEAMSTERS
LAW ENFORCEMENT DIVISION (METRO SPECIAL POLICE)**

PARTIES IN AGREEMENT: Washington Metropolitan Area Transit Authority and Local 639, International Brotherhood of Teamsters Law Enforcement Division (Metro Special Police)

CONTRACT PERIOD: October 1, 2013 through September 30, 2016

CONTRACT FEATURES:

General Wage Increases

| | |
|--------------------|------|
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Health and Welfare

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Other Contract Changes

Established that employees must proactively monitor and remain in compliance with WMATA's Fatigue Management policy.

Established Special Event and Emergency mandatory overtime.

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Increased uniform allowance to \$550 per year (from \$450), as of January 1, 2016 (no increases were negotiated for prior two CBAs).