

PRESENTED & ADOPTED:

SUBJECT: LABOR CONTRACT SETTLEMENT LOCAL 689, ATU

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

WHEREAS, A majority of the Operating, Maintenance, Clerical, and Administrative Personnel of the Washington Metropolitan Area Transit Authority are represented for purposes of collective bargaining by Local 689 of the Amalgamated Transit Union; and

WHEREAS, The 2004-2008 Labor Agreement covering the wages, hours and working conditions of these employees for FY05 and FY06 were established in December 2004 pursuant to the Harris Interest Arbitration Award; and

WHEREAS, WMATA and Local 689 thereafter returned to the bargaining table to negotiate the economic terms for FY07 and FY08 and all other non-economic terms left open by the Harris Award; and

WHEREAS, A Memorandum of Understanding memorializing a settlement between the parties has been tentatively reached by the Authority and the Union; and

WHEREAS, The Memorandum of Understanding completes the terms of the 2004-2008 Labor Agreement; and

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

WHEREAS, The Board of Directors was briefed on the issues contained in this Memorandum of Understanding in Executive Session subject to union membership ratification; and

WHEREAS, A majority of the voting union membership ratified the Memorandum of Understanding on June 14, 2006,

WHEREAS, Certain non-contractual matters are traditionally handled by Letters of Understanding between the Director of Employee and Labor Relations and the Union President, and

WHEREAS, In an abundance of caution, some of the Letters of Understanding state that the letters act as amendments to the Transit Employees' Retirement Plan; now therefore be it

RESOLVED, That the tentative Memorandum of Understanding reached between the Authority and Local 689 of the Amalgamated Transit Union covering the wages, hours and working conditions of these employees is approved by the Board of Directors, as well as the amendments to the Transit

Employees' Retirement Plan or any other WMATA sponsored pension plan intended to be effected by the Letters of Understanding covering the following topics:

- Effective Date of Automatic TERP Transfers
- Effect of Local 2 Arbitration Decision on Continued TERP Participation
- Use of Retired Train Operators as Temporary Train Instructors; and be it further

RESOLVED, That the Interim General Manager is authorized to execute a new Collective Bargaining Agreement completing the terms of the 2004-2008 Labor Agreement until replaced by a successor agreement; and be it further

RESOLVED, That this resolution be effective immediately.

Reviewed as to form and legal sufficiency.



Carol B. O'Keeffe
General Counsel

**Washington Metropolitan Area Transit Authority
STAFF SUMMARY SHEET**



ROUTI	TO	BY DATE	FOR	DATE
1	IGM			June 20, 2006
2	BOARD		X APPROVAL	SUBJECT: WMATA/Local 689, ATU Memorandum of Understanding completing the FY '07 and '08 economic provisions and work rule changes to the 2004-2008 Collective Bargaining Agreement provided by the December 22, 2004 provisions of the Harris Interest Arbitration Award.
			X VOTE	PREPARED BY: <i>[Signature]</i> EXTENSION: LABR - D. Richard Froelke x2119
			CONCURRENCE	DEPARTMENTAL APPROVAL: <i>[Signature]</i> WFDA - Brender Gregory x7600
			INFORMATION	

IMPLICATIONS (The implications checked below are involved in this action, and are discussed below or provided as a

- CIP RAIL CAPITAL CONST. MANPOWER CONSULTANTS
 NONE
 OPERATING BUDGET PUBLIC INFORMATION LEGAL SAFETY

(NARRATIVE)

PURPOSE:

To request the WMATA Board of Directors' approve the negotiated Memorandum of Understanding with Local 689, ATU covering wages, hours and working conditions for the bargaining unit comprised of WMATA's nearly 7,000 Operating, Maintenance, Clerical and Administrative Personnel. The attached fact sheet summarizes the negotiated Memorandum of Understanding which was ratified by vote of the Local 689, ATU, membership on June 14, 2006.

DISCUSSION:

In compliance with the Authority's normal process for approving labor contracts, the WMATA Board was previously briefed on the terms and conditions for a proposed negotiated settlement with Local 689, ATU in Executive Session. On May 26, 2006, the parties reached tentative agreement to complete work on the 2004-2008 Collective Bargaining Agreement pursuant to the terms of the 2004 Harris Interest Arbitration Award. The tentative agreement fixes the basic economic terms for FY 2007 and FY 2008 as well as work rule modifications. The Union membership ratified the tentative agreement on June 14, 2006.

COORDINATION	Initial	Date		ENCLOSURE(S):
RAIL			2 COMP	
BUSV			<i>[Signature]</i>	
CIVR			3 COUN	
HMRS			<i>[Signature]</i>	
TSDV			4 CHOS.	
EXTA			<i>[Signature]</i>	
ADA			Deputy/ Admin.	GENERAL MANAGER ACTION: <input checked="" type="checkbox"/> Approved. <input type="checkbox"/> Approved for Submission to the Board. <i>[Signature]</i> <i>[Date]</i> Signature Date
X OMBS	<i>[Signature]</i>	6-20-06	Deputy/ Oper.	
PROC				BOARD ACTION (When Required): Approved by the Board of _____ Secretary
GOVR				
AUDT				
SAFE				
1 LABR	<i>[Signature]</i>	6-20-06		

ALTERNATIVE:

None.

IMPACT ON FUNDING:

The Authority's total contract cost for the two years of the agreement, FY07 and FY08, is \$44.6 million. The cost of the contract for FY07 exceeds the operating budget by approximately \$4.9 million, which will be accommodated by a reduction in overtime spending. Sufficient funding has been allocated in the FY08 pro-forma budget to cover pay increases applicable to that year.

RECOMMENDATION:

That the WMATA Board of Directors' adopt the attached resolution which approves the Memorandum of Understanding completing the economic terms for FY07 and FY08 as well as other work rule modifications for the 2004-2008 Collective Bargaining Agreement pursuant to the Harris Award and authorizes the Interim General Manager to execute a new Collective Bargaining agreement accomplishing this action.

FACT SHEET ON TENTATIVE AGREEMENT BETWEEN

WMATA and LOCAL 689 ATU

PARTIES IN AGREEMENT: **Washington Metropolitan Area Transit Authority and Local 689 Amalgamated Transit Union AFL-CIO.**

CONTRACT PERIOD: July 1, 2004 through June 30, 2008

CONTRACT FEATURES:

<u>Wages Across the Board</u>	<u>Wage Increase</u>	<u>Effective Date</u>
	2.0%	July 1, 2006
	1.0%	December 31, 2006
	2.0%	July 1, 2007
	1.0%	December 31, 2007

Renewal of the COLA provision in 2008 if inflation exceeds 4% in the last year of the contract.

Equity Adjustments

Station Managers to 100% of Top Operator Rate

AA Mechanics to 114% of Top Operator Rate w/ proportionate increase for Mechanic Leads

Multicolor Press Operator to 114% of Top Operator Rate

Repairable Asset Coordinators to 114% of Top Operator Rate

Health Premium Gain-sharing Credit

If the FY07 operating surplus meets \$10.2M and the WMATA Customer Satisfaction Survey Scores reach 87%, employees will receive up to a \$500 credit for the payment of their share of health benefit premiums. If the FY07 operating surplus is between \$5.1M and \$10.2M and the above survey goal is met, the credit will be up to \$250.

Health Benefit Premium Sharing Changes

Effective January 1, 2007

PPO - 83% WMATA - 17% Employee

HMO - 93% WMATA - 7% Employee

Effective January 1, 2008

PPO - 81% WMATA - 19% Employee

HMO - 90% WMATA - 10% Employee

Effective January 1, 2009 and beyond

New cost increases will be shared

WMATA - 75% - Employee - 25%

Retirees - Special Rule for retirees in Kaiser HMO

2006 rate plus the 75% - 25% split of new cost increases.

New Three Tier Drug Co-pay

Retail PPO Program

30 Day Supply

Generic	\$ 5.00
Brand Name Formulary	\$15.00
Brand Non-Formulary	\$25.00

90 Day Mail Order Supply

Generic	\$10.00
Brand Name Formulary	\$30.00
Brand Non-Formulary	\$50.00

Establishes \$50 co-pay for emergency room visits (waived if admitted).

Adds dependent child maternity coverage for pre/post natal care with infant delivery only.

Provides \$100 supplemental maternity Sickness and Accident (S&A) disability benefit above normal S&A disability benefit to commence after exhaustion of sick leave and only while physically disabled.

Pension Changes

All provisions are status quo with the exception of retirements on or after July 1, 2006. After July 1, 2006, service in excess of 27 years will be subject to a 1.95% multiplier with service for the first 27 years at the current 1.85% multiplier rate.

NON-ECONOMIC HIGHLIGHTS of TENTATIVE AGREEMENT

Bus maintenance restructuring agreement updated and modified to accommodate new ASE bus transit certification program and provide an additional \$100 tool allowance for this group only.

Strengthen technical skills program to encourage retention in the program and commitment to the mechanical discipline for which students are trained to enter.

Elimination of paper payroll checks at a cost savings to WMATA.

New work selection skill groupings for mechanics designed to increase efficiency.

Thirty (30) month lock-in upon transfer to Rail Operator and Station Manager and twenty-four (24) month lock-in upon returns to bus to discourage migration and facilitate WMATA return on training investment.

Joint Labor Management Committees to consider further:

1. Worker fatigue, sleep deprivation and other safety considerations assisted by outside expert to build the case for future restrictions on work hours
2. Paid time off - sick leave issues reserved for further negotiations
3. Modified work schedules in operations may be implemented where feasible
4. Restructuring of clerk and storeroom seniority and promotion groupings

ELES Jumper Shifts expanded and relaxed overtime scheduling rules adopted.

Extra Rail Operator and Station Manager class in 2006 confined to Bus personnel to facilitate filling of vacancies and staffing of extra boards.

Authority to hire up to 30 retired train operators for part-time work to meet extra service requirements such as "games, marches and festivals" without the payment of overtime.

Quits by employees within one year of hire will trigger repayment of CDL training costs.

Local flexibility to vary internal vacation picks.

Future recommended changes by Plan Actuary to actuarial assumptions will no longer have to be considered during collective bargaining and be referred for action to Plan Trustees.

Inclusion of domestic partners in Health and Welfare Plan.

WMATA may bring back 30 retired train operators to work as trainers and expand our capacity to build up our cadre of train operators.