

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
202013

Resolution:
 Yes No

TITLE:

Local 2 Agreement

PRESENTATION SUMMARY:

To request the WMATA Board of Directors approve the negotiated collective bargaining agreement with Local 2 (Office and Professional Employees International Union, AFL-CIO).

PURPOSE:

To request approval of the agreement with Local 2, covering wages, hours and work rules for the bargaining unit comprised of Professional, Technical, Administrative and Clerical personnel of Metro. The attached fact sheet summarizes the negotiated agreement in the form of a Memorandum of Understanding (MOU).

DESCRIPTION:

On July 20, 2018, the parties reached agreement on the 2016-2021 Collective Bargaining Agreement. The agreement provides basic economic terms for FY2017-FY2021 as well as increased employee contributions to health care and modification in work rules. The parties agreed upon a wage freeze from July 1, 2016 to June 30, 2017, a 1.5% general wage increase effective July 1, 2017, a 2% general wage increase effective July 1, 2018, a 2% general wage increase effective July 1, 2019, a 2.5% general wage increase effective July 1, 2020, and a 3.0% general wage increase effective January 1, 2021. The Local 2 membership ratified the agreement on July 26, 2018. The agreement covers a five year period for close to 1,000 professional and administrative employees.

Key Highlights:

The agreement covers five years between July 1, 2016 and June 30, 2021. The average increase over the five year period is 1.9%, with no wage increase during the first year. The existing employee health care contribution requirement of 15% has been increased to 25% in graduated steps. Work rule modifications for assigning overtime provide for less expensive junior employees to receive

overtime. The parties have agreed to amend the WMATA/Local 2 Retirement Trust to allow retirees to serve as Trustees.

Background and History:

The Washington Metropolitan Area Transit Authority (the “Authority”) and Local 2 (the “Union”), hereby agree to amend and extend the existing collective bargaining agreement (the “CBA”) between the parties that became amendable on July 1, 2016 as set forth herein. This agreement is contingent upon ratification of the Authority’s Board of Directors. References to sections and subsections are to those contained in the CBA. 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, FY2017-FY2021
Project/Account:	20200010
Project Manager:	N/A
Project Department/Office:	Nondepartmental
This Action:	\$22,813,699
Remarks:	Metro's increased contract cost for five years of the agreement for which economic terms have been established is \$22,813,699.

TIMELINE:

Previous Actions	No prior approvals
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RECOMMENDATION:

Approval of the CBA between Metro and Local 2, 2016-2021 and authorization for the General Manager/Chief Executive Officer to execute an MOU and update the existing CBA to reflect the negotiated agreement.

SUBJECT: APPROVAL OF LOCAL 2, OFFICE AND EMPLOYEES INTERNATIONAL UNION, AFL-CIO, COLLECTIVE BARGAINING AGREEMENT AND RETIREMENT PLAN TRUST AGREEMENT

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

WHEREAS, Resolution 2011-30 requires the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors to approve all collective bargaining agreements (CBA) and Resolution 2003-49 requires the Board of Directors to approve any amendment to The Trust Agreement for the Washington Metropolitan Area Transit Authority/Local 2 Retirement Plan (Trust Agreement); and

WHEREAS, The 2012-2016 Local 2 Office and Employees International Union, AFL-CIO (Local 2) CBA expired on June 30, 2016; and

WHEREAS, WMATA and Local 2 have negotiated and agreed to the terms of a new CBA for 2016-2021, the material terms of which are shown on Attachment A; and

WHEREAS, A majority of the voting Local 2 membership ratified the 2016-2021 CBA on July 26, 2018; and

WHEREAS, The estimated impact to WMATA's Fiscal Year (FY) 2018 budget is \$1.8 million, which will be funded by additional contributions from the jurisdictions no later than December 31, 2018; and

WHEREAS, The estimated impact to WMATA's FY2019 budget is \$ 4.0 million, which will be funded by additional contributions from the jurisdictions no later than June 30, 2019; and

WHEREAS, Local 2 has requested to amend the Trust Agreement so that it can appoint either active or retired Local 2 employees as trustees for the Trust Agreement; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors approves the 2016-2021 CBA between WMATA and Local 2; and be it further

RESOLVED, That the General Manager/Chief Executive Officer (GM/CEO) is authorized to execute the 2016-2021 CBA; and be it further

RESOLVED, That the GM/CEO and Chief Financial Officer are authorized to seek additional funding from the local jurisdictions to cover the total estimated impact of \$5.8 million on the FY2018 and FY2019 budgets; and be it further

RESOLVED, That Section 8.01 of the Trust Agreement is hereby amended to read:

8.01 Selection of the Board of Trustees. The Board of Trustees will consist of five (5) members as follows: three (3) Trustees appointed by the General Manager & Chief Executive Officer of the Authority, and two (2) Trustees appointed by Local 2 who will be either active employees represented by Local 2 or retired employees who, at the time of their retirement, were represented by Local 2. All Trustees serve at the pleasure of their appointing authority. Any Trustee may resign at any time upon thirty (30) days' notice in writing to the Authority and the remaining Trustees. If there is a vacancy in the office of Trustee arising by death, resignation, legal adjudication as an incompetent, refusal to act of any Trustee appointed by Local 2, Local 2 will appoint a replacement Trustee within ninety (90) days. The title to all of the funds and properties constituting the Trust will vest jointly in those who will from time to time be the Trustees hereunder.

Pending the appointment of any successor Trustee and the acceptance of such appointment, the remaining Trustees will have full power to take any action hereunder; and be it finally

RESOLVED, That to comply with the parties' mutual promises to expeditiously implement the 2016-2021 CBA, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

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

FACT SHEET**TENTATIVE AGREEMENT BETWEEN WMATA AND LOCAL 2, OPEIU**

PARTIES TO AGREEMENT: Washington Metropolitan Area Transit Authority and Local 2, OPEIU

CONTRACT PERIOD: July 1, 2016 through June 30, 2021

MAJOR CONTRACT FEATURES:

<u>General Wage Increase</u>	<u>Wage Increase</u>	<u>Effective Date</u>
	0.0%	July 1, 2016
	1.5%	July 1, 2017
	2.0%	July 1, 2018
	2.0%	July 1, 2019
	2.5%	July 1, 2020
	3.0%	January 1, 2021

<u>Employee Share of Health Care Premium</u>	<u>Share</u>	<u>Effective Date</u>
	22%	January 1, 2019
	24%	January 1, 2020
	25%	January 1, 2021

Contract Work Rules

Changes overtime distribution from a strict seniority-based system for all employees of a department to a voluntary rotating equal distribution roster interposing junior less expensive employees. Also allows WMATA to draft in inverse seniority for overtime to ensure work coverage.

Changes to shift selection procedures to use both seniority and qualifications of the employee in order to meet the needs of the department.