

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202021

Resolution:
☒ Yes ☐ No

TITLE:

Local 689, ATU Labor Contract 2016-2020

PRESENTATION SUMMARY:

To request the WMATA Board of Directors approve the Collective Bargaining Agreement based on the Interest Arbitration Award between WMATA and Local 689, Amalgamated Transit Union.

PURPOSE:

To request approval of the Collective Bargaining Agreement based on the Interest Arbitration Award between WMATA and Local 689, Amalgamated Transit Union covering wages, benefits and working conditions for the bargaining unit comprised of Operating, Maintenance, and Administrative and Clerical personnel of Metro.

DESCRIPTION:

The parties bargained to an impasse over the wages, benefits and working conditions for the 2016-2020 period which led to interest arbitration. The arbitration panel has issued its Award and the attached fact sheet summarizes the significant provisions set forth in the arbitration award dated August 14, 2018.

The award covers basic economic terms for FY2017-FY2020 as well increased employee contributions to healthcare. The award states that Local 689 would receive a wage freeze from July 1, 2016 to June 30, 2017, a 1.0% general wage increase effective July 1, 2017, a 2.5% general wage increase effective July 1, 2018, a 1.5% general wage increase effective July 1, 2019, and a 1.5% general wage increase effective January 1, 2020.

Key Highlights:

The agreement covers the four years between July 1, 2016 and June 30, 2020. It provides for a one year wage freeze and increases wages by an annual average of 1.6% over the four year term of the agreement. The award increases health care coverage contributions from 17% to 20%, as well as raises deductibles and prescription copays. Vacation carry-over will be eliminated. All unused vacation as of June 30, 2018 will be cashed out.

Background and History:

The Washington Metropolitan Area Transit Authority (the “Authority”) and Local 689 (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 by the Authority 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:

The table below shows the breakdown of expenses by type and fiscal year.

Local 689 (\$ in millions)	FY17	FY18	FY19	FY20	Total
Wage Increases	\$0	\$6.6	\$23.7	\$39.7	\$70.0
- FICA	\$0	\$0.5	\$1.8	\$3.0	\$5.4
- Pension	\$0	\$0.6	\$2.3	\$3.8	\$6.8
Total - Wages	\$0.0	\$7.8	\$27.8	\$46.5	\$82.1
Increase Contribution to 20%	\$0	\$0.0	(\$1.0)	(\$1.9)	(\$2.9)
Increase Prescription Co-Pay	\$0	\$0.0	(\$1.5)	(\$3.0)	(\$4.5)
ACA	\$0	\$0.0	\$0.2	\$0.3	\$0.5
Dental	\$0	\$0.0	(\$0.4)	(\$0.8)	(\$1.2)
Total - Healthcare	\$0.0	\$0.0	(\$2.7)	(\$5.4)	(\$8.1)
Unused Vacation	\$0	\$15.3	\$0.0	\$0.0	\$15.3
Grand Total	\$0	\$23.1	\$25.1	\$41.1	\$89.3

FUNDING IMPACT:

Budget:	Operating Budget, FY2017-FY2020
Project/Account:	20200010
Project Manager:	John Kuo
Project Department/Office:	IBOP
This Action:	\$89,300,000
Remarks:	Metro's increased contract cost for four years of the agreement for which economic terms have been established is \$89,300,000.

TIMELINE:

Arbitration hearings held: February 14, 15 16, 26, 27, and 28; March 1; April 23, 24, 25, and 26, 2018

Arbitration award date: August 14, 2018

RECOMMENDATION:

Approval of the attached resolution which approves the Collective Bargaining Agreement based on the Interest Arbitration Award between WMATA and Local 689, ATU including the economic terms for FY2017-FY2020, for the 2016-2020 Collective Bargaining Agreement between Metro and Local 689, ATU and authorizes the General Manager/Chief Executive Officer to execute a new Collective Bargaining Agreement accomplishing this action.-

SUBJECT: APPROVAL OF LOCAL 689 AMALGAMATED TRANSIT UNION COLLECTIVE BARGAINING AGREEMENT

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

WHEREAS, Resolution 2011-30 requires Board of Directors' approval of all collective bargaining agreements; and

WHEREAS, The 2012-2016 Collective Bargaining Agreement (CBA) between the Washington Metropolitan Area Transit Authority (WMATA) and Local 689 Amalgamated Transit Union (Local 689) expired on June 30, 2016; and

WHEREAS, WMATA and Local 689 attempted unsuccessfully to negotiate the terms of a new CBA for 2016-2020, and in accordance with Compact Section 66 the dispute over a new CBA was submitted to binding interest arbitration; and

WHEREAS, The arbitration panel has issued its Award, the material terms of which are shown on Attachment A; and

WHEREAS, The estimated impact of the Award to WMATA's Fiscal Year (FY) 2018 budget is \$23.1 million, which will be funded by additional contributions from the jurisdictions no later than December 31, 2018; and

WHEREAS, The estimated impact of the Award to WMATA's FY2019 budget is \$25.1 million, which will be funded by additional contributions from the jurisdictions no later than June 30, 2019; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors approves the 2016-2020 CBA with Local 689 that contains the terms of the Arbitration Award; and be it further

RESOLVED, That the General Manager/Chief Executive Officer (GM/CEO) is authorized to execute the 2016-2020 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 \$48.2 million to the FY2018 and FY2019 budgets; and be it finally

RESOLVED, That in order to comply with the terms of the Arbitration Award, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

WMATA File Structure No.:
14.2 Collective Bargaining Agreements

PROPOSED

FACT SHEET**ARBITRATION AWARD BETWEEN WMATA AND LOCAL 689, ATU**

PARTIES TO ARBITRATION: Washington Metropolitan Area Transit Authority and Local 689, ATU

CONTRACT PERIOD: July 1, 2016 through June 30, 2020

MAJOR FEATURES:

<u>General Wage Increase</u>	<u>Wage Increase</u>	<u>Effective Date</u>
	0.0%	July 1, 2016
	1.0%	July 1, 2017
	2.5%	July 1, 2018
	1.5%	July 1, 2019
	1.5%	January 1, 2020
<u>Employee Share of Health Care Premium</u>	<u>Share</u>	<u>Effective Date</u>
	20%	January 1, 2019
<u>Retiree Share of Health Care Premium¹</u>	<u>Share</u>	<u>Effective Date</u>
Pre-Medicare Eligibility	20%	January 1, 2019
Medicare Eligible	20% of the lowest cost Medicare Advantage Plan with Drug coverage ²	January 1, 2019
Generic Drugs	Must be used before Brand name is covered	January 1, 2019

¹ Applicable only to persons who retire on or after January 1, 2019

² Retirees selecting higher cost coverage pay 100% of the cost difference

Prescription Drug Co-Payments

Effective Date

January 1, 2019

Retail (30-day supply) program

- Generic – increase from \$5.00 to \$10.00
- Preferred – increase from \$20.00 to \$25.00
- Non-preferred – increase from \$30.00 to \$40.00

Mail Order (90-day supply) program

- Generic – increase from \$10.00 to \$20.00
- Preferred – increase from \$40.00 to \$50.00
- Non-preferred – increase from \$60.00 to \$80.00

Dental Benefits

Effective Date

January 1, 2019

- \$1,500.00 annual limit on dental benefits