Washington Metropolitan Area Transportation Authority Board Action/Information Summary

| Action | MEAD Number: | Resolution: |
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PURPOSE

To request the Board of Directors approval of the negotiated Tentative Agreement with Local 639 of International Brotherhood of Teamsters (IBT), covering the Special Police Officers setting the wages, hours and working conditions for the 2007-2010 Collective Bargaining Agreement (CBA).

DESCRIPTION

The prior CBA expired September 30, 2007. The parties reached a Tentative Agreement on September 28, 2007 that was ratified by the Union membership on October 11, 2007. There is no alternative action to be taken.

FUNDING IMPACT

The total cost of the 2007-2010 CBA is estimated to be \$1.46 million and within the Board's budget guidelines for FY08 and beyond.

RECOMMENDATION

That the Board of Directors approve the attached resolution which authorizes the General Manager to execute the CBA and to implement the terms of the 2007-2010 CBA for the Special Police Officers bargaining unit with Local 639, IBT.

PRESENTED & ADOPTED:

SUBJECT: LABOR CONTRACT SETTLEMENT WITH LOCAL 639, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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

WHEREAS, A majority of the Special Police Officers of the Metropolitan Area Transit Authority (the "Authority") are represented for purpose of collective bargaining by Local 639 of the International Brotherhood of Teamsters (IBT); and

WHEREAS, The predecessor Labor Agreement covering the wages, hours and working conditions of these employees covered the period October 1, 2003 through September 30, 2007, and the new Labor Agreement will cover the period October 1, 2007 through September 30, 2010; and

WHEREAS, The parties entered into a Tentative Agreement on September 28, 2007, settling forth the terms of the 2007-2010 new agreement; and

WHEREAS, The terms of the Tentative Agreement are attached hereto; and

WHEREAS, A majority of the voting union membership ratified the Tentative Agreement on October 11, 2007; now, therefore be it

RESOLVED, That the Board of Directors approve the Tentative Agreement reached between the Authority and Local 639 IBT covering the wages, hours and working conditions for these employees for the period of October 1, 2007 through September 30, 2010; and be it further

RESOLVED, That the Board of Directors authorizes the General Manager to execute the Collective Bargaining Agreement and to implement the terms of the Tentative Agreement; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

Carol B. O'Keeffe

General Counsel

Memorandum Summarizing Tentative Agreements Between Washington Metropolitan Area Transit Authority and Local 639 International Brotherhood of Teamsters **Concerning Special Police Officer Bargaining Unit** September 27, 2007

- Three Year Contract Term
 - o October 1, 2007 September 30, 2010
- Tentative Agreement subject to ratification by Local 639 IBT membership, and ۰ final approval by WMATA's General Manager and Board of Directors.
- Health Benefit Program •
 - During the immediate transition period, the status quo will be maintained with the Special Police Officers (SPOs) continuing participation in the Local 639 IBT Health and Welfare Trust.
 - During the process of contract ratification, the SPOs will select one of the following three health care offerings to be the replacement plan for the Local 639 IBT Health and Welfare Trust:
 - Kaiser HMO / Delta Dental option

 - MAMSI HMO / Delta Dental option Blue Cross Blue Shield HMO (including dental)
 - The parties agree that the medical plan premiums of the selected HMO plan ۲ will be split with WMATA paying 85% and the SPO paying 15% of the premium during the life of the new agreement.

If the individual SPO elects Delta Dental insurance coverage, the premium costs will be split 50%-50%. The quoted plan costs for the three HMOs and Delta Dental are attached hereto as Exhibit A along with plan summaries for each of the three plans.

- After approvals of the Tentative Agreement, WMATA will hold an "open season" for the SPO to elect coverage and consequently, the parties target January 1, 2008 as the effective date for the commencement of the new health benefit coverage.
- While the parties agreed in principle with the prescription drug co-pays set forth below, it is understood that the drug co-pays of the selected plan offering will supersede these amounts listed below and accordingly govern:

| | <u>Retail</u> | <u>90-day mail order</u> |
|---------------------|---------------|--------------------------|
| Generic | \$ 5.00 | \$ 10.00 |
| Brand Formulary | \$ 10.00 | \$ 20.00 |
| Brand Non-Formulary | \$ 20.00 | \$ 40.00 |

- The change to the eight (8) hour standard work day from the seven and one-half (7.5) currently in effect will result in a SPOs total gross earnings be increased by approximately 6.7 percent per annum.
- Wage Rate Improvement

October 1, 2007 – 2.00 % market wage adjustment; 2.00 % general wage increase October 1, 2008 – 3.25 % general wage increase October 1, 2009 – 3.00 % general wage increase

Life Insurance Program will be reinstated

\$ 25,000 at no cost to SPO Supplemental insurance may be purchased at SPO's expense

- Long Term Disability Program will be reinstated with coverage shared on a 50% -50% basis with WMATA
- Uniform allowance will be increased to \$450 per annum
- Pension Benefits and Retiree Health Benefits

Status quo SPOs will continue to participate in WMATA defined benefit pension plan for non- represented employees. Current Local 639 IBT who retired prior to February 1, 2005 will remain in the WMATA health benefit system and be treated consistently as non- represented employees of WMATA. These SPOs retiring on or after February 1, 2005 will receive a monthly stipend of \$555.68 or \$6,668.22 per annum to reimburse these retirees for health benefit insurance expenses documented to WMATA at no taxable consequence to the retiree.

9-28-07

On Behalf of Local 639 IBT

Date

9-28-07

On Behalf of Washington Metropolitan Area Transit Authority

Date