

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	04/26/10	Open	Action	04/20/10

Subject: Agreement for Revising the Labor Contract Between the District and AFSCME, Local 146, for the Term of July 1, 2009 Through December 31, 2013

## ISSUE

Whether or not to approve the agreement between the District and American Federation of State, County and Municipal Employees (AFSCME), Local 146, for revising the Collective Bargaining Agreement and Retirement Plan for the term of July 1, 2009 Through December 31, 2013.

## RECOMMENDED ACTION

Adopt Resolution No.10-4-\_\_\_, Approving an Agreement Between Sacramento Regional Transit District and American Federation of State, County and Municipal Employees, Local 146, for Amending the Collective Bargaining Agreement and Retirement Plan for the Term of July 1, 2009 Through December 31, 2013.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	172,423
Budget Source:	Operating	Next FY:	\$	(170,110)
Funding Source:	State/Federal	Annualized:	\$	2,000 <sup>1</sup>
Cost Cntr/GL Acct(s) or Capital Project #:	Various Departmental Labor Accts.	Total Amount:	\$	( <sup>2</sup> )
Total Budget:	\$	( <sup>2</sup> )		

<sup>1</sup> Represents an annualized cost for the first 24 months of the revised CBA.

<sup>2</sup> RT's negotiating objective was to achieve settlement with a net zero increase over 24 months in labor cost over the 12 months preceding expiration of the old agreement (the base year). During negotiations, the term of the Agreement was extended for an additional 30 months for a total of 54 months (4.5 years, July1, 2009 through December 31, 2013). As measured against the base year, the settlement is within \$2,300 of a net zero increase in labor costs for the period ending June 30, 2011, or an 11.61% decrease in labor costs between June 30, 2009 and June 30, 2011.

Beginning July 1, 2011, cost cutting measures that were implemented by way of suspending the operation of cash payments, implementing furloughs and suspending wage increases and wage progressions will be restored and resumed for the remainder of the Agreement at levels which would have been achieved had the cost cutting measures not been agreed upon. Considering the cost cutting measures in the first 24 months and resumption of prior CBA provisions thereafter, without a mid-term adjustment via a "re-opener clause" (See Term of Agreement below) the cost of the settlement over the 4.5 year term will be neutral.

Approved:

Presented:

FINAL 4/20/10

General Manager/CEO

Chief Administrative Officer/EEO

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## DISCUSSION

The negotiating committees for the District and AFSCME 146 began meeting on May 13, 2009, to revise the Collective Bargaining Agreement (CBA) and Retirement Plan, which were set to expire on June 30, 2009. The parties reached an agreement for settlement on March 26, 2010. All individual items over which tentative agreement was reached were reduced to writing and signed off by the chief negotiators. The collection of individual tentative agreements will, upon approval by the Board of Directors, be the basis upon which the full CBA will be revised. The Union membership ratified the terms for settlement in early April. The following summarizes the substantive terms for the agreement. The individual tentative agreements are attached hereto as Exhibit 1.

1. TERM OF AGREEMENT: 4.5 years (07/01/09 through 12/31/13)
  - Reopener Clause – Beginning July 1, 2011 through June 30, 2013, each party retains the right to reopen the Agreement for renegotiating one (1) economic item and/or one (1) non-economic item.
  
2. TEMPORARY SUSPENSION PROVISIONS: The following provisions have been suspended for the period May 1, 2010 through June 30, 2011. Effective July 1, 2011, the operation of these provisions will be restored at the pay step that they would have achieved, had the temporary suspension in wage increases not have occurred.
  - Wage Progression – Effective May 1, 2010, or as soon as practicable thereafter, employees not paid at the top of their wage schedule will be frozen at their rate in effect on April 30, 2010.
  - Holiday Pay – Effective July 1, 2010, holiday pay for the seven (7) fixed holidays occurring from July 1, 2010 through June 30, 2011, will be suspended.
  - Vacation and Sick Leave Sell Back – Effective May 1, 2010, sell back of accrued vacation under the Personal Hardship SOP and the sell back of accrued sick leave and/or vacation to cash or deferred compensation will be suspended through June 30, 2011.
  
3. FURLOUGH DAYS: Effective May 1, 2010, employees must schedule and take fifteen (15) unpaid furlough days through June 30, 2011.
  
4. MEDICAL INSURANCE to be provided by CalPERS: Effective July 1, 2010, medical insurance coverage for employees and eligible retirees will be changed from current coverage under Kaiser and Health Net, to the CalPERS system.

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- The District and employee/retiree will split the monthly premium cost 90% / 10% respectively. The percentage will be applied to the Kaiser and Blue Shield Access Plus premiums, provided in the Sacramento area.
  - An employee who is retired or who will retire with a date of hire before January 1, 1994, will continue to receive medical coverage for self and dependents at no cost.
5. RECOGNITION OF THE TRANSIT OFFICER SUPERVISOR POSITION: Effective on the implementation date of the Agreement, the classification of Transit Officer Supervisor will be represented by the AFSCME. The existing job description will remain in effect.
- The current compensation schedule will be converted to pay steps and the incumbent will be placed at the step closest to her current level of pay, but not less.
6. CONTRACT LANGUAGE REVISIONS: There were 17 tentative agreements made during negotiations to revise, clarify or correct miscellaneous non-economic provisions that are a part of the final settlement.

Staff recommends approval of the attached Resolution and accompanying Exhibit 1, as a full and complete settlement of negotiations for revising the CBA and Retirement Plan, for the term of July 1, 2009 Through December 31, 2013.

RESOLUTION NO. 10-04-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 26, 2010

**APPROVING AN AGREEMENT BETWEEN SACRAMENTO REGIONAL TRANSIT DISTRICT AND AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, LOCAL 146, FOR AMENDING THE COLLECTIVE BARGAINING AGREEMENT AND RETIREMENT PLAN FOR THE TERM OF JULY 1, 2009 THROUGH DECEMBER 31, 2013.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Agreement for Settlement of Negotiations between Sacramento Regional Transit District (RT) and American Federation of State, County and Municipal Employees, Local 146 (AFSCME), which is attached hereto as Exhibit 1, whereby representatives of RT and AFSCME set forth agreed upon changes to the term, wages, benefits and other provisions of the existing Collective Bargaining Agreement between RT and AFSCME, is hereby approved.

THAT, the General Manager/CEO is hereby authorized to implement the provisions of the attached Agreement.

THAT, the General Manager/CEO is hereby authorized to bind the District to a revised Collective Bargaining Agreement and Retirement Plan that has been amended and restated to provide changes to the compensation, working rules, health and welfare benefits and other terms and conditions of employment, as set forth in the attached Exhibit 1.

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STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary