

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	12/10/18	Open	Action	12/07/18

Subject: Terms of Settlement for Labor Negotiations between SacRT and AFSCME, Local 146, Supervisor Unit

ISSUE

Whether to conditionally approve the terms for settlement of labor contract negotiations between Sacramento Regional Transit District (SacRT) and American Federation of State, County and Municipal Employees, District Council 57, Local 146, Supervisor Unit (AFSCME), for a four year term of January 1, 2019 through December 31, 2022.

RECOMMENDED ACTION

Adopt Resolution No. 18-12-____, Conditionally Approving the Terms for Settlement of Labor Contract Negotiations between Sacramento Regional Transit District and American Federation of State, County and Municipal Employees, District Council 57, Local 146, Supervisor Unit, for a Four Year Term of January 1, 2019 through December 31, 2022.

FISCAL IMPACT

Budgeted: Yes
 Budget Source: Operating
 Funding Source: State and Federal Sources
 Cost Cntr/GL Acct(s) or Capital Project #: Various Departmental Labor Accounts
 Total Budget: See Below

The cost, per year, of this four year proposed bargaining agreement are as follows:

	<u>Baseline (current contract)</u>	<u>Proposed Contract</u>	<u>Savings</u>
2019	\$ 9,513,034	\$ 9,125,422	\$ 387,612
2020	\$ 9,962,747	\$ 9,423,222	\$ 539,525
2021	\$10,434,167	\$ 9,705,918	\$ 728,248
2022	\$10,878,579	\$ 9,997,096	\$ 881,483
Total	\$40,788,526	\$38,251,658	\$2,536,868

Average annual savings = \$634,217

These figures include the cost and savings generated from the changes to the step increases and range changes from the current contract. Other proposed changes are expected to generate additional costs and savings over the life of the contract to a much lesser extent.

Approved:

Presented:

Final 12/7/18

General Manager/CEO

Director, Labor Relations

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DISCUSSION

Representatives of SacRT and AFSCME began meeting on September 20, 2018 for the purpose of renegotiating certain provisions of the Collective Bargaining Agreement (CBA) which were set to expire on December 31, 2018. The negotiating teams reached tentative agreement for a full and complete settlement of issues opened for renegotiation, subject to ratification and approval by the AFSCME membership and the SacRT Board of Directors.

In summary, the substantive terms for settlement are as follows:

1. Term of Agreement: 4 years from January 1, 2019 through December 31, 2022.
2. Wage/Salary Package:
 - Reduces annual anniversary date increases from 5% to 3%, not to exceed the maximum for the classification salary range.
 - Provides for 3% increases to the salary ranges on January 1, 2019, January 1, 2020, January 2021 and January 1, 2022.
 - Permits either party to request a limited reopener regarding wage and salary levels to be effective January 1, 2022 if changes in economic conditions warrant. The exact timing and criteria for the reopener are still being developed.
3. Overtime Compensation
 - Currently, overtime is paid on a daily basis, when employees work over 8 hours in a day. Under the new agreement, overtime wages would be paid only when: (1) the number of hours actually worked; plus (2) the number of hours of paid scheduled time (e.g. planned vacation) off exceed 40 hours in a work week.
 - Any unscheduled paid or unpaid leave will be excluded from the calculation of the 40 hours.
4. Retired Employee and Dependent Insurance Benefits: Employees hired on or after January 1, 2019 will be eligible to receive only the CalPERS medical minimum contribution toward their post-employment medical coverage (effective January 1, 2019 the rate per month will be \$136).

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5. Sick Leave

- Sets incrementally lower caps for sick leave accrual as follows:
 - 1/1/2020 – 1200 hours
 - 1/1/2021 – 1000 hours
 - 1/1/2022 – 800 hours
 - 1/1/2023 – 600 hours
 - 1/1/2024 – 480 hours
- Sets a maximum accrual of 576 hours for current employees with fewer than 576 accrued hours as of January 1, 2024. Any accrual above 480 hours at the end of each calendar year will be converted to a management contribution to a deferred compensation plan. Employees with current sick leave accruals above 576 hours will be required to reduce accruals annually through cash out or deposit to deferred compensation to the levels specified above.
- Effective January 1, 2020, sick leave cash out and application to retirement for employees hired prior to December 30, 2014 is reduced from the current 100% level to 40% of accumulated sick leave for employees with 7 to 14 years of service who retire pursuant to a SacRT Retirement Plan and the greater of 75% or 480 hours for those with 15 or more years of service.

6. Training Premium

Provides a new training premium of 5% per hour for supervisory employees who are assigned to provide one on one most technical training to a peer supervisor during their initial training period. SacRT management and AFSCME representatives will meet at the conclusion of 2019 to evaluate the program.

The terms for conditional settlement have been reduced to writing. The employee membership of the Union will need to vote to ratify the terms for settlement. Staff recommends the Board conditionally approve the terms for settlement of contract negotiations for the term of January 1, 2019 through December 31, 2022, pending the affirmative vote of the Supervisor's Unit anticipated to occur on December 22, 2018.

RESOLUTION NO. 18-12-_____

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

December 10, 2018

CONDITIONALLY APPROVING THE TERMS FOR SETTLEMENT OF LABOR CONTRACT NEGOTIATIONS BETWEEN SACRAMENTO REGIONAL TRANSIT DISTRICT AND AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, DISTRICT COUNCIL 57, LOCAL 146, SUPERVISOR UNIT, FOR A FOUR YEAR TERM OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2022

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

THAT, the labor contract settlement terms between Sacramento Regional Transit (SacRT) and American Federation of State, County and Municipal Employees, District Council 57, Local 146, Supervisor Unit (AFSCME), establishing compensation, benefits, retirement and other terms and conditions of employment for employee members of AFSCME, for the period of January 1, 2019 through December 31, 2022, are conditionally approved pending the affirmative vote of the Supervisor's Unit.

THAT, the General Manager/CEO is hereby authorized to bind SacRT to a Collective Bargaining Agreement (CBA) with AFSCME, whereby the existing CBA, including the Retirement Plan, are amended and restated to provide for the changes to compensation, benefits, and other terms and conditions of employment.

THAT, the General Manager/CEO is hereby authorized to execute the fully revised CBA on behalf of SacRT to implement their terms.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary