



Agenda Item No. (5)(A)

To: Board of Directors
Special Meeting of October 1, 2021

From: Kellee J. Hopper, Deputy General Manager, Administration and Development
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE RATIFICATION OF A MEMORANDUM OF UNDERSTANDING WITH UNION COALITION BARGAINING UNITS, AND ASSOCIATED ACTIONS**

Recommendation

It is recommended that the Board of Directors authorize ratification of a short-term Memorandum of Understanding (MOU) with the Union Coalition bargaining units, which provides for a 2.5% wage increase and a \$500 stipend per employee, effective the pay period in which each bargaining unit ratifies the MOU, with the understanding that for the wage increase to apply in the current pay period, Coalition bargaining units must notify the District of ratification by 5:00 p.m. on October 1, 2021. The MOU will expire on January 31, 2022.

Background

The COVID-19 Pandemic has had unprecedented impacts on the operations of the Golden Gate Bridge, Highway, and Transportation District (District), including significant economic implications for the District's employees and retirees. Over the past year and a half, the District has engaged with its employee bargaining units to develop measures to address major budgetary shortfalls and to reach new labor agreements.

At its meeting on June 26, 2020, the Board of Directors (Board) reviewed and approved a plan to transition health coverage for District employees and retirees to coverage under the CalPERS health insurance program, which is available to employees and retirees of contracting public agencies. This created immediate and long-term cost savings for the District.

Against the backdrop of the economic uncertainties facing the District, and despite not having new labor agreements, the Union Coalition agreed to the transition to the CalPERS medical program as a measure of good-faith negotiations with the District. These transitions were approved through a series of Board actions occurring over the past several months, beginning with the ratification of the May 2021 Memorandum of Understanding Regarding Transition to CalPERS Medical Plans for All Union Coalition Employees and Retirees (May 2021 CalPERS Agreement).

As a reciprocal measure of good-faith in the on-going labor negotiation processes, and in recognition that District employees have not had a wage increase since July 1, 2019, District representatives negotiated a short-term MOU with the Union Coalition representatives. It provides for a 2.5% wage increase and a one-time lump sum non-pensionable payment of \$500, both of which are conditioned upon the execution of the May 2021 CalPERS Agreement, as there is one bargaining unit that has not signed it yet. After the Board ratifies the agreement, the wage increase will take effect in the pay period in which each bargaining unit ratifies the agreement, with the understanding that for the current pay period, Coalition bargaining units must notify the District of ratification by 5:00 p.m. on October 1, 2021. The term of the proposed MOU will expire on January 31, 2022.

Other terms of the tentative agreement include:

1. Increase the payment to active employees who opt out of District health insurance coverage from \$400 per month to \$500 per month.
2. Increase the reimbursement amount for purchasing or repairing work boots to employees who are required by the District to wear work boots from \$100 per year to \$450 over three years.
3. Increase the clothing allowance given to deckhands and vessel masters by \$10 and allow them to use this money to purchase safety shoes.
4. Permit employees to punch in and out via the Kronos app on their personal devices, within an approximate 30-foot radius of a working Kronos time clock.
5. Pursuant to Bay Area Air Quality Management District Regulation 14, Rule 1 and federal IRS regulations, implement a commuter benefits program that allows employees to pay for transportation and parking costs on a pre-tax basis.
6. As a clarification to the May 2021 CalPERS Agreement, reimburse employees for expenses incurred prior to October 1, 2021 with employees' pre-existing HRA funds under the same rules used before the May 2021 CalPERS Agreement (i.e. IRS Code 213(d) expenses, and deductibles, co-pays, and co-insurance for medical, dental and vision care). Starting October 1, 2021, expenses eligible for reimbursement with HRA funds are limited to deductibles, co-insurance and co-pays (medical and prescription). Vision and dental expenses and other 213(d) expenses are not reimbursable.
7. Implementing revised union security language to comply with *Janus v. AFSCME*, 138 S. Ct. 2448 (2018).

Each bargaining unit in the Union Coalition must vote to ratify the agreement. The Union Coalition is comprised of the following bargaining units:

1. Vessel Masters (Marine Engineers Beneficial Association)
2. Deckhands (Inlandboatmen's Union)
3. Terminal Agents (Inlandboatmen's Union)
4. Ferry Supervisors (Teamsters Local 856)
5. Ferry Mechanics (International Association of Machinists)
6. Customer Service Representatives (Teamsters Local 856)
7. Dispatchers (Teamsters Local 856)
8. Bus Transportation Supervisors (Teamsters Local 856)
9. Bus Servicers (Teamsters Local 665)
10. Laneworkers (Teamsters Local 665)
11. Bus Mechanics (International Association of Machinists 1414)
12. Ironworkers (Ironworkers Local 377)
13. Operating Engineers (Operating Engineers Local 3)
14. Bridge Roadway Service Technicians (Operating Engineers Local 3)
15. Bridge Patrol Officers (Operating Engineers Local 3)
16. Bridge Mechanics (International Association of Machinists, Local 1414)
17. Laborers (Laborers Local 261)
18. Plumbers (Plumbers Local 38)
19. Carpenters (Carpenters Local 22)
20. Cement Masons (Cement Masons Local 300 Area 580)
21. Allied Administrative (IFPTE Local 21)
22. Engineers (IFPTE Local 21)
23. Electricians/Communications Technicians (IBEW)

As of this writing, four bargaining units have approved the MOU. At the Special Board meeting, staff will provide an update.

Fiscal Impact

The proposed recommendation would increase the District's expenses in two ways. First, there would be a one-time expense of approximately \$200,000 for the one-time payment and second, there would be an ongoing yearly expense of approximately \$1.4 million for salaries, related benefits and other provisions in the recommendation. The District's FY 21/22 Budget contains sufficient resources to cover these additional expenses.