ITEM NO. SUBJECT: Collective Bargaining Agreement between DRPA and International Union of Operating Engineers, Local 542

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: March 18, 2009

PROPOSAL: That the Board authorizes finalizing and executing a Collective Bargaining Agreement (CBA) with IUOE Local 542 on substantially the terms set forth herein.

BACKGROUND: IUOE has represented DRPA Bridge Division employees for many years and through a succession of Collective Bargaining Agreements. The most recent Collective Bargaining Agreement with IUOE expired by its terms on February 1, 2009. Negotiations between the parties commenced prior to the contract expiration date and have continued to the present. In February of 2009 the DRPA received a letter from the New Jersey Authorities Unit expressing the desire of the Governor of New Jersey that Authorities, including multi-state authorities such as DRPA, limit wage increases. The two pending Union negotiations being conducted by DRPA are that with IUOE Local 542 and another with International Brotherhood of Electrical Workers Local 351. In order to comply with the spirit of the request from the Governor of New Jersey while reaching a fair resolution of pending contract negotiations, staff proposes to finalize the two pending negotiations by granting each Union a wage increase that equates to three percent (3%) per annum. In the case of IUOE that would result in a partially retroactive increase for the period February 1, 2009 to December 31, 2009; thus the actual increase would be 11/12ths of 3%.

Active DRPA employees who are represented by IUOE participate in the IUOE Health Care plan instead of the DRPA plan. DRPA pays the IUOE Health Care Fund for providing coverage to its members. In early negotiations the IUOE Fund has requested an annual increase of ten percent (10%) in the amount DRPA pays into the Plan. We are awaiting support documentation for that request, but in order to complete this process we are requesting Board approval for a one year increase not to exceed ten percent (10%). When the parties commence negotiations on a successor contract we hope to have a better understanding of the overall financial situation and of the financial situation for the DRPA in particular.
SUMMARY STATEMENT
Collective Bargaining Agreement between DRPA and International Union of Operating Engineers, Local 542
New Business 3/18/09

SUMMARY:
Amount: Increase of 3% annualized; Increase in DRPA contribution to IUOE Health Care Plan not to exceed 10% for 2009.
Source of Funds: Operating Budget
Capital Project #: Not Applicable
Operating Budget: 2009
Master Plan Status: Not Applicable
Other Fund Sources: None
Duration of Contract: to December 31, 2009
Other Parties Involved: IUOE Local 542
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes and directs to finalize a Collective Bargaining Agreement between DRPA and IUOE Local 542 substantially on the terms set forth in the attached Summary Statement; and be it further

RESOLVED: That the Chair, Vice Chair and Chief Executive Officer will review and must approve the proposed Collective Bargaining Agreement before it is submitted to IUOE Local 542 for execution.

SUMMARY: Amount: Wage increase of 3% annualized; Increase in DRPA contribution to IUOE Health Care Plan not to exceed 10% for 2009.
Source of Funds: Operating Budget
Capital Project #: Not Applicable
Operating Budget: 2009
Master Plan Status: Not Applicable
Other Fund Sources: None
Duration of Contract: to December 31, 2009
Other Parties Involved: International Union of Operating Engineers, Local 542