SUMMARY STATEMENT

ITEM NO.: PATCO-18-045  SUBJECT: Collective Bargaining Agreement between PATCO and Teamsters

COMMITTEE MEETING: New Business

COMMITTEE DATE: N/A

BOARD ACTION DATE: December 5, 2018

PROPOSAL: That the Board of the Port Authority Transit Corporation (PATCO) approve the economic provisions and terms delineated in Exhibit A for the DRPA’s expired labor contract with Teamsters Union Local No. 676 (Teamsters), and authorize staff to negotiate the remaining terms of the Collective Bargaining Agreement.

BACKGROUND: Teamsters, currently representing 212 PATCO employees, has been working under an expired contract since December 31, 2017;

The essential economic terms of the agreement are summarized in Attachment A hereto.

SUMMARY: Amount: N/A
Source of Funds: General Funds
Operating Budget: PATCO Operating Budget (Payroll and Employee Services expenses)
Other Fund Sources: None
Duration of Contract: See Exhibit A; through December 31, 2020
Other Parties Involved: Teamsters Local Union No. 676
RESOLUTION

RESOLVED: That the Board of Commissioners of the Port Authority Transit Corporation (PATCO) authorizes staff to finalize the Collective Bargaining Agreement between PATCO and Teamsters substantially on the economic terms set forth in Attachment A, and authorize staff to negotiate the remaining terms of the Collective Bargaining Agreement; and be it further

RESOLVED: That the Chair, Vice Chair and the CEO must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and CEO and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA. If both the Chair and Vice Chair are absent or unavailable, and any agreement or agreements need to be executed during their absence, then the CEO may execute on behalf of DRPA.

SUMMARY:

Amount: N/A
Source of Funds: General Funds
Operating Budget: PATCO Operating Budget (Payroll and Employee Services expenses)
Other Fund Sources: None
Duration of Contract: See Exhibit A; through December 31, 2020
Other Parties Involved: Teamsters Local Union No. 676
ATTACHMENT “A”

Wages Increases

- Retroactive to 1/1/18 increase all wage rates 4%
- Retroactive to 1/1/19 increase all wage rates 0%
- Retroactive to 1/1/20 increase all wage rates 2%

- Retroactive wage payments will be made on all hours paid, including overtime hours at the applicable premium and paid time off. Any wage increase effective prior to the effective date of this Agreement shall be applied retroactively to all hours paid on or after the effective date of the increase to any currently employed employee, as well as to any employee who retired or was promoted out of the bargaining unit after the effective date of such increase.

- Any increase effective prior to the effective date of this MOA shall be applied retroactively to disability benefits being received by an employee on the effective date of this MOA, which benefits the employee is receiving due to a disability that arose on or after 1/1/18, to the extent permitted by the Teamsters Health & Welfare Fund through which such benefits are being received and/or by PATCO’s disability insurance policy.

Health and Welfare Contribution Increases

- Effective 1/1/18: Maintain monthly contribution rates at $819.99 for single coverage and $1,576.71 for composite coverage.

- Effective 5/1/18: Increase the single coverage rate to $834.30 and the composite coverage rate to $1,604.01. Employees will be responsible for paying 20% of the increase in the weighted average contribution rate each year from the prior year on a cumulative basis; provided, however, that the increase, if any, shall be measured against the rate in effect as of 5/1/16 ($1,508.23) until the weighted average contribution rate in any year exceeds such rate. Thereafter, the increase will be calculated against the prior year’s weighted average rate.

- Effective 5/1/19: The single coverage and composite coverage rates shall not exceed the lesser of the then current published contribution rates for the benefits now being provided to bargaining unit employees or 10% above the 1/1/18 rates above. Employees will be responsible for paying 20% of the increase in the weighted average contribution rate each year from the prior year on a cumulative basis, calculated as described above as of 5/1/18.
Effective 5/1/20: The single coverage and composite coverage rates shall not exceed the lesser of the then current published contribution rates for the benefits now being provided to bargaining unit employees or 10% above the 1/1/19 rates above. Employees will be responsible for paying 20% of the increase in the weighted average contribution rate each year from the prior year on a cumulative basis, calculated as described above as of 5/1/18.

**Pension Contribution Increases**

- Effective 1/1/18: Maintain daily contribution rate at $27.84.
- Effective 8/1/18: Increase daily contribution rate to $29.24.
- Effective 8/1/19: Pursuant to the Pension Fund’s funding improvement plan, increase daily contribution rate by 5% above the rate in effect 8/1/18 to $30.70.
- Effective 8/1/20: Pursuant to the Pension Fund’s funding improvement plan, increase daily contribution rate by 5% above the rate in effect 8/1/18 to $32.24.

**Annuity**

Effective January 1, 2019, PATCO will contribute to the Local 676 Annuity Fund $.25 per hour on behalf of each straight time hour worked by a regular non-probationary full-time employee, up to a maximum of eight (8) hours per day and forty (40) hours per week. Effective January 1, 2020, the contribution rate will increase to $.50.