



King County

Metropolitan King County Council

STAFF REPORT

Agenda Item:	9	Name:	Nick Wagner
Proposed No.:	2014-0449	Date:	17 November 2014

SUBJECT

Proposed Ordinance 2014-0449 (Att. 1) would approve a memorandum of agreement (MOA) (Att. 1-A) between King County and the Amalgamated Transit Union (ATU), Local 587, providing for the continued payment of an annual tool allowance to about 421 transit vehicle maintenance and facilities maintenance employees in the Department of Transportation (DOT) in each of the years 2014 and 2015.

In order for the 2014 payment to be made by the end of 2014, the Executive has requested Council action on the legislation by November 24 (Att. 2: Transmittal letter). Toward that end, council staff briefed councilmembers on the legislation in their caucuses on November 10 so that the Council would have the option to take final action on November 17 (in case there will not be a Council meeting on November 24).

SUMMARY

Proposed Ordinance 2014-0449 would approve an MOA between King County and ATU Local 587. The MOA would extend for an additional two years, from 2014 through 2015, an annual tool allowance for transit maintenance employees in DOT. The amount of the allowance would be the same as it was for the years 2011 through 2013 under the parties' previous collective bargaining agreement (CBA), which expired on 31 October 2013:

- \$826 per year for each of about 380 eligible Vehicle Maintenance Employees, Electromechanics, and Streetcar Maintainers; and
- \$405 per year for each of about 41 eligible Facilities Maintenance Employees.

The total amount of the payments would continue to be about \$386,000 per year, as described in the Fiscal Note (Att. 3).

BACKGROUND

As described in the Executive's transmittal letter, the affected employees service and maintain:

- Metro's and Sound Transit's buses;
- Link Light Rail cars;
- South Lake Union Streetcar;
- Transit power and facilities; and
- Metro buildings and bus shelters

The employees use the tool allowance to buy the tools they need for the performance of their jobs. King County does not otherwise provide basic tools to these employees.

The tool allowance is paid in the first quarter of each year. Since the previous CBA expired on 31 October 2013, there has been no authority for the County to issue tool allowance payments. The last tool allowance payment was made in early 2013. Since then, employees have had to make tool purchases at their own expense. Although the tool allowance is not an issue in the pending interest arbitration between the County and ATU, without the proposed MOA the employees would have to wait until the conclusion of the interest arbitration process (probably in mid-2015) to receive their tool allowance payments for 2014 and 2015.

The proposed MOA would make it unnecessary for the affected employees to continue using their own funds to buy the tools they need and, according to the Executive, allow the County to "build goodwill with its employees and the Union."

Another benefit of the MOA, according to the Executive, is it will make it unnecessary for the Department of Transportation to carry forward into 2015 the funds reserved for the 2014 tool allowance payments, which would be "administratively burdensome."

ANALYSIS

Since the tool allowance provided for in the MOA is unchanged from the past three years, the Fiscal Note lists a fiscal impact of zero.

Since the 2014 tool allowance payments were already included in the Department of Transportation budget for 2014, adoption of Proposed Ordinance 2014-0449 will not require a supplemental appropriation. The payments for 2015 and 2016 were included in the Executive's proposed biennial budget for 2015-2016.

ATTACHMENTS

1. Proposed Ordinance 2014-0449
 - A. MOA re. tool allowance
2. Transmittal letter
3. Fiscal note

INVITED

1. David Levin, Labor Negotiator, King County Office of Labor Relations
2. Clint DeVoss, 2nd Vice President, Amalgamated Transit Union, Local 587



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 13, 2014

Ordinance

Proposed No. 2014-0449.1

Sponsors

1 AN ORDINANCE approving and adopting the
2 memorandum of agreement regarding tool allowance
3 negotiated by and between King County and Amalgamated
4 Transit Union, Local 587 (Transit - Departments:
5 Transportation, Executive Services (Finance and Business
6 Operations Division)) representing employees in the
7 department of transportation; and establishing the effective
8 date of said agreement.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. The memorandum of agreement regarding tool allowance
11 negotiated by and between King County and Amalgamated Transit Union, Local 587
12 (Transit - Departments: Transportation, Executive Services (Finance and Business
13 Operations Division)) representing employees in the department of transportation and
14 attached hereto is hereby approved and adopted by this reference made a part hereof.

15 SECTION 2. Terms and conditions of said agreement shall be effective through
16 December 31, 2015.
17

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Phillips, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Memorandum of Agreement Between Amalgamated Transit Union, Local 587 and King County Metro Transit

**MEMORANDUM OF AGREEMENT
BETWEEN
AMALGAMATED TRANSIT UNION, LOCAL 587
AND
KING COUNTY METRO TRANSIT**

RE: Issuance of annual tool allowances to certain employees during the expired collective bargaining agreement; modification of tentative agreements relating to tool allowances

Background:

1. Metro and the Union are parties to a collective bargaining agreement that expired on October 31, 2013. The parties have been unable to settle their negotiations for a successor contract and are certified for interest arbitration. The parties are in the process of scheduling interest arbitration. A decision and award from an arbitrator will likely be sometime in 2015.

2. Articles 17.10.A, 18.13.A (new numbering), R16.9.A, and R20.11.A of the expired collective bargaining agreement provided for a tool allowance to be issued to certain Employees annually in 2011, 2012, and 2013. Those payments were made.

3. Because the collective bargaining agreement expired on October 31, 2013, Employees have not received a tool allowance since early 2013.

4. The parties have reached a tentative agreement for an annual tool allowance for employees to be issued in 2014, 2015, and 2016 in the amount of \$826 for certain eligible Vehicle Maintenance Employees, Electromechanics, and Streetcar Maintainers and \$405 for certain eligible Facilities Maintenance Employees. This is the same amount as the prior three years. The tentative agreement on tool allowances is not an issue that is certified for interest arbitration and would normally be implemented upon the completion of the collective bargaining process, which in this case, will be interest arbitration.

5. During collective bargaining negotiations, Metro and the Union discussed the changes to the Streetcar operation over the term of the next collective bargaining agreement. In Article R16, they agreed to end the tool allowance for Streetcar Maintenance Employees and instead to provide shop tools. After reconsideration of this tentative agreement, the parties have agreed that Streetcar Maintenance Employees who are covered by Article R16 should continue to receive a tool allowance in the previously negotiated and frozen rate of \$826 for 2014, 2015, and 2016.

6. Previously, Metro issued separate paper checks for tool allowances. Some employees wanted separate checks because they were able to change their tax withholding so that their tool allowance checks would be exempt and paid in full. Recently, federal guidelines regarding tax treatment of tool allowance has changed, and tool allowances are now taxed as "bonus" income and all appropriate wage related withholdings are taken at the time of payment. Additionally, issuing paper checks is administratively burdensome for King County.

7. Metro understands that its Vehicle Maintenance Employees, Electromechanics, Streetcar Maintainers, and Facilities Maintenance Employees have continued to purchase tools for their jobs, despite the expiration of the labor agreement. In order to build goodwill with its employees and the Union, Metro is willing to issue the annual tool allowances that will be granted under the new collective bargaining agreement.

Agreement:

1. As soon as practicable following the passage of this agreement through the Metropolitan King County Council, Metro shall issue tool allowances in the amounts of \$826 and \$405, as appropriate, to the employees who are or were eligible for a 2014 tool allowance under Articles 17.10.A, 18.13.A (new numbering), R16.9A, and R20.11.A of the tentative agreement, at the time that the allowance would normally have been paid.

2. If the parties have been unable to complete the collective bargaining process by the time that tool allowances would normally be issued in 2015, Metro shall issue annual tool allowances in the amounts of \$826 and \$405, as appropriate, to the employees who are eligible for a 2015 tool allowance under Articles 17.10.A, 18.13.A (new numbering), R16.9.A and R20.11.A of the tentative agreement.

3. The parties agree that tool allowances would not normally be issued under the expired collective bargaining agreement because the tool allowances are paid annually and are date-specific in the collective bargaining agreement.

4. The parties hereby amend their tentative agreements in Articles 17.10.A, 18.13.A (new numbering), R16.9.A, and R20.11.A so that all references to issuing separate tool allowance checks are stricken. The parties agree that for the 2014 and 2015 tool allowances that are authorized under this agreement, and on a going forward basis under the new collective bargaining agreement, tool allowances shall be issued as part of employees' regular checks.

5. The parties hereby amend their tentative agreement in Article R16.9 to restore eligibility for a tool allowance to Streetcar Maintenance Employees in the amount of \$826 for the years 2014, 2015, and 2016.

6. The parties agree that Exhibit A to this Memorandum of Agreement represents a correct modification of the tentative agreements.

7. The parties agree that this agreement concerning the implementation of tentatively agreed to terms under an expired collective bargaining agreement shall not be precedent setting. This agreement has been reached to build goodwill with Metro's Vehicle Maintenance employees, Electromechanics, Streetcar Maintainers, Facilities Maintenance employees, and the Union.

APPROVED this 5 day of NOVEMBER, 2014.

By: Dow Condit
King County Executive

For Amalgamated Transit Union, Local 587:


Paul J. Bachtel
President/Business Agent

EXHIBIT A

ARTICLE 17, SECTION 10 – SPECIAL BENEFITS

A. A tool allowance shall be provided annually, ~~by separate check on Employees' regular paychecks,~~ not later than March of each year, to Employees permanently assigned as of January 1st the same year to the classifications of Electronic Technician, Maintenance Machinist, Mechanic, Mechanic Apprentice, Metal Constructor, Millwright; Sheet Metal Worker, Vehicle Upholsterer, and to Leads in those classifications. The amounts shall be as follows:

Year	Allowance
<u>2011</u> 2014	\$826
<u>2012</u> 2015	\$826
<u>2013</u> 2016	\$826

METRO agrees to provide those tools necessary to perform all mechanical work assigned to Vehicle Maintenance Employees who are not provided the annual tool allowance. Employees who receive a tool allowance will be allowed to purchase tools at the discounted rate METRO receives under its tool contracts, in accordance with procedures established by METRO. Tools purchased under METRO's tool contracts are for an Employee's use during regular work hours and are not to be purchased for an Employee's personal use. Tools purchased or replaced using the tool allowance/discount shall be the personal property of the Employee.

ARTICLE 18, SECTION ~~12~~13 – SPECIAL BENEFITS

A. A tool allowance shall be provided annually ~~by separate check on Employee's regular paychecks~~ not later than March of each year to Employees permanently assigned as of January 1st to the classifications of Building Operating Engineer, Carpenter, Maintenance Constructor, Transit Radio and Communication Systems Specialist, Transit Electronic Communications Technicians, Leads and to authorized Trainees in these classifications. Employees who are upgraded into positions that are eligible for a tool allowance shall not receive a tool allowance, unless their base classification is eligible for a tool allowance. The amounts shall be as follows:

Year	Allowance
<u>2011</u> 2014	\$405

20122015	\$405
20132016	\$405

METRO will provide those tools necessary to perform all assigned mechanical work to Facilities Maintenance Employees who are not provided the annual tool allowance.

ARTICLE R16, SECTION 9 – SPECIAL BENEFITS

A. A tool allowance shall be provided annually, ~~by separate check~~ on Employees' regular paychecks, not later than March of each year, to Employees permanently assigned as of January 1st the same year to the Streetcar Maintenance Employees in the classifications of Streetcar Maintainer and Electromechanic. No Employee may collect more than one tool allowance in a year. The amounts shall be as follows:

Year	Allowance
20112014	\$826
20122015	\$826
20132016	\$826

Employees who receive a tool allowance will be allowed to purchase tools at the discounted rate RAIL receives under its tool contracts, in accordance with procedures established by RAIL. Tools purchased under RAIL's tool contracts are for an Employee's use during regular work hours and are not to be purchased for an Employee's personal use. Tools purchased or replaced using the tool allowance/discount shall be the personal property of the Employee.

ARTICLE R20, SECTION 11 – SPECIAL BENEFITS

A. A tool allowance shall be provided annually, ~~by separate check~~ on Employees' regular paychecks, not later than March of each year, to Employees permanently assigned as of January 1st the same year to the classification of Electromechanic. No Employee may collect more than one tool allowance in a year. The amounts shall be as follows:

Year	Allowance
20112014	\$826

Year	Allowance
2012 <u>2015</u>	\$826
2013 <u>2016</u>	\$826

RAIL agrees to provide those tools necessary to perform all mechanical work assigned to Vehicle Maintenance Employees who are not provided the annual tool allowance. Employees who receive a tool allowance will be allowed to purchase tools at the discounted rate RAIL receives under its tool contracts, in accordance with procedures established by RAIL. Tools purchased under RAIL's tool contracts are for an Employee's use during regular work hours and are not to be purchased for an Employee's personal use. Tools purchased or replaced using the tool allowance/discount shall be the personal property of the Employee.

November 4, 2014

The Honorable Larry Phillips
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Phillips:

This letter transmits an ordinance that will enable King County to issue annual tool allowances to various transit employees for the years 2014 and 2015. These employees maintain, service, and clean Metro's and Sound Transit's buses as well as Link Light Rail cars and the South Lake Union Streetcar.

The enclosed ordinance, if approved, will ratify the memorandum of agreement which will provide tool allowance payments through 2015. This agreement covers selected transit vehicle maintenance employees, transit power and facilities employees, rail vehicle maintenance employees and streetcar maintenance employees in the Department of Transportation. These employees are skilled trades and crafts employees who maintain buses, light rail vehicles and streetcars; and maintenance employees who service these vehicles and maintain Metro's buildings and bus shelters.

The collective bargaining agreement between King County and Amalgamated Transit Union, Local 587 (ATU, Local 587) has historically provided for an annual tool allowance to be paid early in the year. Employees use this allowance to purchase tools that are necessary for them to perform their job functions. King County does not otherwise provide basic tools to these employees. When the collective bargaining agreement expired on October 31, 2013, there was no further authorization to issue tool allowance checks. Because the collective bargaining process with ATU, Local 587 has continued well past the expiration of the prior contract term, and because employees have continued to purchase tools at their own expense, Metro seeks authority by way of this memorandum of agreement to issue tool allowances for 2014 and 2015. It wishes to do this in order to keep its vehicles and facilities maintained and to build goodwill with its employees and the Union. The expired collective bargaining agreement may be viewed at: http://your.kingcounty.gov/ftp/des/hr/410C0110_scsg.pdf.

The Honorable Larry Phillips

November 4, 2014

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It is in the Department's interest to issue the tool allowance payments in the 2014 calendar year. Otherwise, the Department will need to carry the reserved funds forward into the next year, which is administratively burdensome. Therefore, I respectfully request Council action on this legislation no later than November 24, 2014.

The settlement reached is a product of good faith collective bargaining between King County and the Union. This agreement has been reviewed by the Office of the Prosecuting Attorney, Civil Division.

Thank you for your consideration of this ordinance. This important legislation furthers the goals of the County's Strategic Plan enabling the County to provide excellent customer service by ensuring well maintained buses, light rail vehicles, streetcars and transit facilities for the residents of King County.

If you have questions, please contact Patti Cole-Tindall, Director, Office of Labor Relations, at 206-296-4273.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Carolyn Busch, Chief of Staff
Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief of Policy Development, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Patti Cole-Tindall, Director, Office of Labor Relations



FISCAL NOTE

Ordinance/Motion No.	Memorandum of Agreement	
Title:	Amalgamated Transit Union, Local 587 (Transit - Departments: Transportation, Executive Services (Finance and Business Operations Division)) Memorandum of Agreement Regarding Tool Allowance	
Effective Date:	1/1/14 to 12/31/15	
Affected Agency and/or Agencies:	DOT, Transit	
Note Prepared by:	Matthew McCoy, Labor Relations Analyst, Office of Labor Relations	Phone: 205-8004
Department Sign Off:	Jill Krecklow, Finance Manager - Enterprise Operations	Phone: 477-5899
Note Reviewed by:	Shelley De Wys, Budget Analyst	Phone: 263-9718
Supplemental Required?	NO <input checked="" type="checkbox"/> YES <input type="checkbox"/>	

EXPENDITURES FROM:

Fund Title	Fund Code	Department	2014	2015
Public Transportation	464	DOT - Transit	\$ 0	\$ 0
TOTAL			\$ 0	\$ 0

EXPENDITURE BY CATEGORIES:

Expense Type	Dept Code	Department	2013 Base	2014	2015
Salaries			\$ 330,485	\$ 0	\$ 0
OT					
PERS & FICA			\$ 55,719	\$ 0	\$ 0
TOTAL			\$ 386,204	\$ 0	\$ 0

ASSUMPTIONS:

Assumptions used in estimating expenditure include:

- MOA Period (s): 1/1/14 – 12/31/15
- Wage Adjustments & Effective Dates:
 - COLA:
 - Other: Calls for continuation of Tool Allowance pay for certain employees in Vehicle Maintenance
 - Retro/Lump Sum Payment:
- Other Wage-Related Factors:
 - Step Increase Movement:
 - PERS/FICA: 16.86%
 - Overtime:
- Other Cost Factors: