

**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.