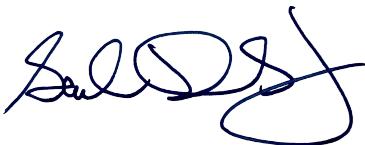


Date: April 28, 2021

To: Board of Directors

From: Sam Desue, Jr.



Subject: **RESOLUTION NO. 21-04-15 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) TO AUTHORIZE THE BOARD PRESIDENT, THE INTERIM GENERAL MANAGER AND CHIEF NEGOTIATOR TO ENTER INTO A NEW WORKING AND WAGE AGREEMENT WITH DIVISION 757, AMALGAMATED TRANSIT UNION**

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the Board President, the Interim General Manager, and the Chief Negotiator to execute the TriMet and Division 757 Amalgamated Transit Union (ATU) Working and Wage Agreement, effective December 1, 2019 through November 30, 2022, and all Supplemental Agreements, Side Letters and other documents necessary to enter into a new collective bargaining agreement with the ATU.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Working and Wage Agreement

3. Reason for Board Action

Board approval is required for TriMet to enter into a new Working and Wage Agreement (WWA) with the ATU.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

The precursor collective bargaining agreement between TriMet and the ATU expired on November 30, 2019, but the parties have been operating in accordance with its terms since its expiration. On October 10, 2019 the parties formally opened negotiations for a new WWA, and after approximately a year and one-half of discussions, negotiations and mediation sessions, the parties achieved a tentative agreement on April 1, 2021. The ATU recommended the Tentative Agreement to its membership, which the union members ratified on April 23, 2021.

Based on that ratification, this Resolution seeks Board approval and authorization for Board

President Bruce Warner, Interim General Manager Sam Desue, Jr., and TriMet's Chief Negotiator, Laird Cusack, to execute the new WWA. If Board approval is granted, the general wage increases will be effective retroactively, beginning December 30, 2019 and extending through November 30, 2022, and the remainder of the agreement will be applied as specified in certain articles or as soon as the terms can be implemented.

Throughout bargaining, the Board has been periodically advised of the progress and direction of labor negotiations with the ATU and the most significant issues needing to be resolved. The Board was most recently made aware of the Tentative Agreement during the April 2, 2021, executive session.

TriMet staff believe that the new agreement is a fair and comprehensive resolution of the major issues between TriMet and the ATU, and that it achieves an appropriate balance between the needs of our union employees and TriMet's need to operate and maintain a safe efficient and reliable transit system.

6. Financial/Budget Impact

Attachment 1 reflects all provisions of the Tentative Agreement that were necessary to achieve a resolution, their location in the WWA, and their financial impacts. Those items from Attachment 1 with financial impacts are further detailed in Attachment 2, which displays the projected costs or savings of each item over the life of the agreement. As stated above, the general wage increases are retroactive to December 1, 2019, but most provisions will become effective upon execution of the new WWA or shortly thereafter.

Attachment 3 contains the text from over 25 separate Tentative Agreements developed throughout the bargaining process. With Board approval, these contract changes will be incorporated into a full Working and Wage Agreement for the parties to rely on until the next agreement.

For the three-year term of the new WWA, union labor costs are projected to increase by the amount of approximately \$42.7 million in total, as compared to union labor costs under the present status quo agreement with no increase. Year-to-year cost financial impacts are shown in Attachment 2.

In addition, the new WWA provides a \$1.00 per hour pay increase on December 1, 2021 for all Bus, Light Rail and Facilities Journey worker job classifications. This is projected to cost about \$1,000,000 in the third year of the new WWA.

The parties also agreed to increase the Road Relief stipends paid to bus and rail operators for the inconvenience of ending or beginning their assigned runs on the road, i.e., away from the garages or rail yards where they began or will end. The amounts of the Road Relief stipends have been static for many years, and additional end-point locations have been established as a result of service changes. The increases for Road Relief are projected to cost \$1,220,000 from the date of the new WWA through November 1, 2022.

In another significant achievement, the parties agreed on TriMet's restructuring and hiring for its maintenance workforce, apprenticeships and training programs. These changes will create efficiencies and savings for TriMet. As part of this change, TriMet created a tuition program for Service Workers to gain knowledge and skills to further their careers in transit.

The new WWA also provides several administrative changes that will reduce TriMet's operational costs. There are new rules for how operators will sign up for work and trade shifts, which will reduce number of operators being unable to fill their next shift, and the number of missed pull-outs due to insufficient time between runs. TriMet will also be allowed to assign alternative work if an operator's scheduled work is cancelled. In addition, the agreement reduces the number of operator work sign-ups from four to three per year, which will reduce costs and provide enough time between schedule changes to more effectively manage the system.

Finally, the parties agreed to an increase from \$150 to \$300 per week in Short Term Disability benefits for qualifying employees. This change will be in effect until the new Oregon state leave program takes effect in January of 2023, and is expected to cost approximately \$430,500 over the period of the WWA.

7. Impact if Not Approved

TriMet's union employees have been working without a current contract since the expiration of the previous WWA on November 30, 2019. Although the terms of the old agreement remained in place during negotiations, a new contract is necessary to update unionized employee wages and benefits and permit comprehensive changes and agreements desired by both management and labor. Now that the ATU has ratified the Tentative Agreement, adopting this Resolution will allow the Board to implement a fair resolution of what has been at times an acrimonious dispute.

Further, if the Board does not approve the new WWA, the parties will revert to the positions they held before achieving the Tentative Agreement, i.e., needing to resolve their contract disputes through binding interest labor arbitration. That arbitration was previously set for April 12, 2021, and promptly would be re-scheduled if the new WWA were not approved. In arbitration, each party must submit its Last Best Offer to the arbitrator, who must select one offer and reject the other. While TriMet believes it would prevail in arbitration, the winner-take-all aspect of arbitration creates substantial uncertainty and risk for both parties and is not conducive to positive labor/management relations. The certainty of what TriMet's and the ATU's negotiators believe to be a fair resolution is preferable to the uncertainty of leaving the decision in the hands of an arbitrator.

TriMet's Interim General manager strongly recommends that the Board adopt this Resolution authorizing the execution of the new WWA.

RESOLUTION NO. 20-04-15

**RESOLUTION NO. 20-04-15 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) TO AUTHORIZE
THE BOARD PRESIDENT, THE INTERIM GENERAL MANAGER AND
CHIEF NEGOTIATOR TO ENTER INTO A NEW WORKING AND WAGE
AGREEMENT WITH DIVISION 757, AMALGAMATED TRANSIT UNION**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a collective bargaining agreement with its unionized workforce; and

WHEREAS, TriMet and its unionized workforce, represented by Division 757 of the Amalgamated Transit Union (ATU), have reached agreement on a new collective bargaining agreement, the Working and Wage Agreement (WWA);

WHEREAS, the ATU membership ratified the new WWA on April 23, 2021;

NOW, THEREFORE, BE IT RESOLVED:

That the TriMet Board of Directors hereby ratifies and authorizes the Board President, the Interim General manager, and the Chief Negotiator to execute the following documents:

1. TriMet and Division 757 Amalgamated Transit Union Working and Wage Agreement, effective December 1, 2019 through November 30, 2022, and
2. Any and all Supplemental Agreements, Side Letters, and other documents necessary to execute and enter into the new Working and Wage Agreement and effectuate the purposes of this Resolution.

Dated: April 28, 2021

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman
Legal Department