



## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D:	
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Signature/Date: 7/20/2022	7/21/2022 [ ]	7/21/2022 [ ]	[ ]	7/21/2022 [ ]	

### Resolutions Ratifying the Agreements to Extend the Collective Bargaining Agreements and Create Successor Agreements with AFSCME Local 3993, ATU Local 1555, SEIU Local 1021, BART Police Managers' Association, and BART Police Officers' Association

#### PURPOSE:

To obtain approval of the attached resolutions ratifying extensions of five Collective Bargaining Agreements (CBAs) between the San Francisco Bay Area Rapid Transit District, and the American Federation of State, County and Municipal Employees, Local 3993 (AFSCME), the Amalgamated Transit Union, Local 1555 (ATU), the Service Employees International Union, Local 1021 (SEIU), the BART Police Managers' Association (BPMA), and the BART Police Officers' Association (BPOA).

#### DISCUSSION:

In December 2020, the Board ratified successor CBAs for AFSCME, ATU, and SEIU spanning July 1, 2021, through June 30, 2024. In March of 2021, the Board did the same for BPMA and BPOA, ratifying an extension of those contracts through June 30, 2025. These contracts tied wages in the agreed-upon term to ridership increases compared to pre-COVID levels.

These CBAs were entered into based on the information at the time and could not have accounted for the subsequent variant waves, including Delta and Omicron, and the sustained, region-wide continuation of remote work. These factors tempered BART's ridership recovery to a level far below what was expected when the agreements were ratified in 2020. Additionally, in recent months inflation has increased at an extraordinary rate not



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seen for over 40 years.

This left the District with the very likely outcome of no wage increases during the entirety of the current CBAs and at the same time facing hiring and retention struggles due to low unemployment rates and a very competitive job market. Additionally, other employers in the District's sector and in the local economy have agreed to wage increases in their recent CBAs averaging over 10% or greater during their terms, which further increased the District's challenges in recruiting and retaining staff.

Within this context, the District's labor partners approached the District about addressing wages in the current CBAs. With a desire to remain competitive in the labor market and keep the District's highly trained and skilled staff who have worked tirelessly throughout the pandemic despite the associated risks, the District engaged in negotiations over multiple District priorities in exchange for wage increases to keep the District competitive.

The tentative agreements will extend each CBA by one fiscal year, ensuring cost and operational certainty through FY25 that would be absent at the expiration of our current contracts. Starting in FY23 through the end of the respective contracts, the tentative agreements include wage increases on July 1st of the succeeding Fiscal Years. For AFSCME, ATU and SEIU the wage increases are 3.5% in FY23, 3% in FY24, and 4% in FY25. For BPMA and BPOA, the wage increases are 2% in FY23, 2% in FY24, 3% in FY25, and 3.5% in FY26. A more detailed summary of potential increases is included in the attached tentative agreements.

The District would also extend percentage increases identical to AFSCME, ATU, and SEIU, to non-represented employees. Under his existing authority, the General Manager may extend the same cost of living wage adjustments to all non-represented employees other than the Board Appointed Officers and intends to do so. Increases for the Board Appointed Officers require Board action.

In exchange for these wage increases, the District negotiated several key changes that will improve operational efficiencies and control long-term costs. The operational benefits from the ratification of these tentative agreements include: 1) a cap on the use of compensatory time off which will provide operational stability and reduce backfill overtime; 2) the elimination of scheduling requirements within the Police Department which will provide better coverage; 3) flexibility in staffing for special events and extra service which provides better service coverage and fewer missed runs during events; and 4) updated bidding systems and schedules for efficient use of employee time and greater coordination between transit agencies.

Future cost control measures include: 1) job description changes to enhance the utilization of the current workforce; 2) capping vacation accruals on new employees to lower future unfunded liabilities; 3) eliminating potential liabilities on current contracting matters; 4)

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limiting any potential ridership-based increase to FY23 and FY24. A more detailed version of these operational efficiencies and future cost controls can be found in the attached tentative agreements.

BPMA ratified the Agreement on June 21, 2022

BPOA ratified the Agreement on June 28, 2022

AFSCME ratified the Agreement on July 15, 2022

ATU ratified the Agreement on July 17, 2022

SEIU ratified the Agreement on July 19, 2022

### **FISCAL IMPACT:**

The costs in FY23, FY24, FY25, and FY26 depend on ridership and staffing levels. Based on the current forecast for ridership recovery during FY23 and FY24 we expect no ridership-based increase in wages. Therefore, under the extension agreement, we expect labor expenses would increase the budgeted operating expenses by \$14M in FY23, \$29M in FY24, \$40M in FY25, and \$42M in FY26.

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
<b>Proposed Wage Increase</b>				
ATU, SEIU, AFSCME, NREP	3.5%	3%	4%	
BPOA/BPMA	2%	2%	3%	3.5%
<b>FY23-FY24 Adopted Budget*</b>				
ATU, SEIU, AFSCME, NREP	0%	0%	2%	2%
BPOA/BPMA	0%	0%	2%	2%

\* The 10-year forecast presumes 2% raises in FY25 and FY26 so the fiscal impacts of the potential increases in those years are the difference between the proposed increases and the built-in assumptions

### **ALTERNATIVES:**

Reject any or all of the tentative agreements. If the Board does not approve the extension, the parties will remain status quo and enter contract bargaining around January 2024 with AFSCME, ATU, and SEIU, and January 2025 with BPMA and BPOA.

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**RECOMMENDATION:**

Adoption of the following motions:

**MOTION:**

The Board approves the attached resolutions ratifying the extension and creation of successor Collective Bargaining Agreements between the San Francisco Bay Area Rapid Transit District and (1) the Amalgamated Transit Union Local 1555 (ATU), July 1, 2021 – June 30, 2025; (2) the Service Employees International Union, Local 1021 (SEIU), July 1, 2021 – June 30, 2025; (3) the American Federation of State, County, and Municipal Employees (AFSCME), Local 3993, July 1, 2021 – June 30, 2025; (4) the BART Police Managers Association (BPMA), July 1, 2018 – June 30, 2026; and (5) the BART Police Officers Association (BPOA), July 1, 2018 – June 30, 2026.