



Agenda Item No. (6)(B)(1)

**REPORT OF THE ATTORNEY
BOARD OF DIRECTORS
MEETING OF JULY 26, 2024**

The Honorable Board of Directors
Golden Gate Bridge, Highway and Transportation District

Honorable Members:

**AUTHORIZE RATIFICATION OF MEMORANDUM OF UNDERSTANDING WITH
UNION COALITION BARGAINING UNITS**

Recommendation

It is recommended that the Board of Directors approve the following actions relating to employees in bargaining units represented by the Union Coalition:

- 1) Increase wages for all Coalition-represented employees, effective the first pay period in which the Board of Directors approves the recommendation, as follows;
 - a. Upon Ratification – 3.5% increase
 - b. July 1, 2025 – 3.75% increase
 - c. July 1, 2026 – 4.0% increase

- 2) Adjust the medical stipends for active employees, as follows:

MEDICAL PLAN	EMPLOYEE ONLY	EMPLOYEE + 1	FAMILY
Kaiser	\$800	\$1800	\$2800
CalPERS Gold	\$800	\$800	\$1800

- 3) Provide a cash stipend of \$500 annually for active employees until an alternative solution to Delta Dental's limited coverage can be developed.
- 4) Stipulate that Union Coalition retirees will pay a monthly premium share rate of \$174 for each non-Medicare eligible individual in their plan: themselves, spouse, eligible partner and/or any dependents.
- 5) Adjust the Adopted Budget for an increase of \$2,430,114 in Salaries and Fringe Benefits for FY 24/25 for the Coalition-represented Employees.

The term is from ratification through June 30, 2027.

Summary

On July 8, 2024, District negotiators reached a tentative agreement with the Union Coalition, which includes all bargaining units with the exception two bargaining units represented by the Amalgamated Transit Union ("ATU"), the Bus Operators' Unit and the Bus Administrative Employees' Unit, and the bargaining unit represented by AFSMCE, Public Employees Union Local 1, the Painters' unit.

The tentative agreement includes a salary adjustment of 3.5% upon ratification by the Board or the individual unions, whichever occurs later, a 3.75% adjustment effective July 1, 2025, and a 4% adjustment effective July 1, 2026. The tentative agreement provides an expiration date of June 30, 2027.

The Bus Administrative Employees' unit, who settled on May 11, 2024, have a "me too" clause built into their agreement such that ratification of the Union Coalition agreement will trigger a corresponding economic adjustment.

The Union Coalition agreed to three economic concessions to partially offset the cost of the wage increases. Specifically, the Coalition agreed to increase the amount of bargaining unit employees' premium shares by 11.25% (paralleling the total wage increase) in the third year of the MOUs. It also agreed to reduce the cash stipend paid to employees who enroll in the CalPERS Kaiser health plan or the CalPERS Gold health plan by \$200 each. Finally, the Union Coalition agreed that retirees will pay an additional premium share for each non-Medicare eligible person covered by their medical benefits, including themselves, spouses, partners and/or dependents until each is covered by Medicare or no longer covered by the District's medical plans (e.g. when a dependent turns 26 years old).

Approval of the multi-year salary increases set forth in the tentative agreement along with the three economic concessions will strike the appropriate balance between keeping the District's salaries competitive with the job market and the financial challenges facing the District.

Per Board policy, these recommended wage increases will be implemented the first day of the pay period in which the effective date falls.

Fiscal Impact

The estimated cost of these provisions over the life of the three-year contact is approximately \$15.7 million. The estimated cost in FY 24/25 of \$2.4 million, if approved, will be reflected in the final FY 24/25 Adopted Operating Budget.