

Date: August 30, 2007Committee Meeting Date: N/ABoard Meeting Date: August 30, 2007**BOARD MEMORANDUM**ACTION X DISCUSSION INFO

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Bill Lopez
Chief Administrative Officer

SUBJECT: Approval of a New Labor Agreement Between Santa Clara Valley Transportation Authority and American Federation of State, County, and Municipal Employees

RECOMMENDATION:

Authorize the General Manager to approve the terms and conditions of a labor agreement between VTA and the American Federation of State, County, and Municipal Employees (AFSCME).

BACKGROUND:

VTA and AFSCME began negotiations for a new labor agreement in October 2006. With no existing contract, each provision required extensive discussion, which contributed to a lengthy negotiation process. The term of the proposed agreement is August 30, 2007 through April 30, 2009. The contract was ratified by the Union membership on August 17, 2007.

DISCUSSION:

The following is a summary of the major provisions of the new agreement:

- A 2% wage increase will be implemented effective September 10, 2007; and a 2.5% wage increase in July 2008. A one-time payment will be granted to employees equal to the amount of the 2% increase from July 2, 2007 to September 10, 2007.
- The Broad Range pay structure will be changed to a Five Step Salary Progression.
- Beginning May 2008, each employee shall pay \$35 toward his/her monthly medical premium. Employees shall pay any premium in excess of the lowest family monthly premium.
- The vesting period for new hires to be eligible for retiree medical benefits will increase from five years to eight years.

- Employees will be offered the option of a 401(a) Money Purchase Plan.
- A Joint Management/Labor Committee will be established to serve as a forum for positive Union-Management Relations.
- A Professional Development Committee will be created to facilitate discussion regarding promotional opportunities and career planning for employees.

ALTERNATIVES:

The Board may choose to not approve the proposed agreement and issue instructions to staff to return to the negotiation table and to continue discussions with AFSCME.

FISCAL IMPACT:

Staff does not anticipate a need to adjust the budget for this increase and will manage within budgeted resources.

Prepared by: Robert L. Escobar, Human Resources Manager