



Board Report

File #: 2024-0548, File Type: Contract

Agenda Number: 42.

REVISED
REGULAR BOARD MEETING
OCTOBER 31, 2024

SUBJECT: COLLECTIVE BARGAINING AGREEMENTS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE successor collective bargaining agreements with the American Federation of State, County and Municipal Employees Local 3634 (AFSCME) and the Transportation Communications Union/IAM Lodge 1315 (TCU), effective July 1, 2024; and
- B. AMEND the FY25 budget in the amount of \$15.2 million for the implementation of the wage and benefit changes for the approval of the final collective bargaining agreements.

ISSUE

The AFSCME and TCU collective bargaining agreements expired on June 30, 2024. Negotiations with union leadership began in February 2024. As of result of collaboration with union leadership and Metro management/negotiating teams, the AFSCME and TCU successor agreements were successfully negotiated within eight months.

BACKGROUND

Staff prepared for contract negotiations beginning over eight months ago. Staff conducted workshops for labor and management to come together and explore ridership trends, security within the system and public/private partnerships. These workshops allowed both parties to learn about each other's interests and most importantly, joint interests.

The preparation for contract negotiations left all parties with a clear vision of the direction Metro is heading and a path to making meaningful contributions towards the future. Prior to beginning formal negotiations, the following principles were identified to guide work at the bargaining tables:

- The **users of Metro services and the taxpayers** within LA County are the key stakeholders. It is excellence in service and support that they have come to expect and that they deserve.

- We understand that Metro's **workforce is essential to** Metro's ability to deliver excellence in service and support.
- Metro's labor agreements provide the framework for commitments to each other. The agreements include the guidelines, the work rules and the acknowledgement of **joint interests and respective interests**.
- It is Metro's intent to negotiate agreements in good faith, to build a **stronger organization and to be financially prudent and good stewards of taxpayer dollars**.
- We recognize that as we move into the future, we are evolving in the use of **technologically advanced equipment**, including electric buses for a cleaner Los Angeles.
- We commit to **honoring Metro's agreements** and to be transparent in all efforts to lead LA Metro into the future of the industry.

DISCUSSION

As of September 26, 2024, Metro reached a tentative agreement with TCU on the successor labor agreement for a term of five years, effective July 1, 2024, to June 30, 2029. This labor union represents Metro clerks, customer service agents, custodians, and various specialist positions. Non-economic benefits of the agreement include:

- New language that clarifies external hiring for vacancies when there are no internal qualified candidates. This will help offset overtime costs.
- Created the new classification "Custodial Specialists" whose primary duties will be to perform specialized cleaning in the Ancillary Areas using special equipment and Personal Protective Equipment.
- Agreed to terms that ensure that Rail Transit Operations Supervisors complete hands-on training to maintain proficiency in operating trains.
- Agreed to terms regarding a Supervisor's responsibility to operate buses or trains as a result of workforce staffing shortages for emergencies, such as the pandemic.

Additionally, as of October 14, 2024, Metro reached a tentative agreement with AFSCME on the successor labor agreement for a term of five years, effective July 1, 2024, to June 30, 2029. This labor union represents Metro supervisors, transit security sergeants and transit security lieutenants. Non-economic benefits of the agreement include:

- New language that clarifies external hiring for vacancies when there are no internal qualified candidates. This will help offset overtime costs.
- Created the new classification "Custodial Specialists" whose primary duties will be to perform specialized cleaning in the Ancillary Areas using special equipment and Personal Protective Equipment.
- Agreed to terms that ensure that Rail Transit Operations Supervisors complete hands-on training to maintain proficiency in operating trains.
- Agreed to terms regarding a Supervisor's responsibility to operate buses or trains as a result of workforce staffing shortages for emergencies, such as the pandemic.

TCU members ratified their tentative agreement on October 22, 2024 with a 92% yes vote, and AFSCME members ratified their tentative agreement on October 23, 2024 with an 87% yes vote.

These new labor agreements are now being presented to the Board for approval.

The new successor agreements with AFSCME and TCU will commence July 1, 2024 through June 30, 2029.

DETERMINATION OF SAFETY IMPACT

Approval of the collective bargaining agreements has a positive impact on safety due to the negotiated work rules directly related to safety. Additionally, the new successor agreements will allow for the safe delivery of continued and uninterrupted transit service for customers and employees, as the unionized workforce adds value and is essential to Metro’s mission and goals.

FINANCIAL IMPACT

Staff recommends salary and wage increases that average 4.4% annually over 5 years along with a 0.25% quarterly wage adjustment each year. Health and welfare increases are included to follow the terms of the contracts.

Wages	Number of Employees	FY25	FY26	FY27	FY28	FY29	Average Annual Rate
TCU & AFSCME	1,927	4%	4%	4%	5%	5%	4.40%

Impact to Budget

At the May 2024 meeting, the Board approved the FY25 budget, with the assumption that wage/salary increases and health/welfare benefits for represented employees are subject to separate board actions, due to ongoing negotiations for collective bargaining agreements. Consequently, an amendment to the FY25 budget totaling \$15.2 million is necessary to account for additional expenses specific to the TCU and AFSCME collective bargaining agreements.

EQUITY PLATFORM

The collective bargaining agreements with TCU and AFSCME effective July 1, 2024, have considered equity impacts such as the annual wage increases which will help with retention and recruitment issues to ensure that there is no delay in Metro’s current and future projects, especially as Metro moves into new technology. Not having to reduce transit service levels would avoid negatively impacting Metro’s core ridership and the equity seeking communities Metro serves. Further, the agreements are anticipated to benefit the diverse composition of Metro’s workforce represented by TCU and AFSCME (see tables below):

Demographics Summary

Ethnicity	TCU & AFSCME		Metro	
	Staff	Percentage	Staff	Percentage
African American	607	31.50%	3,208	26.39%
American Indian	3	0.16%	38	0.31%
Asian	122	6.33%	1,357	11.17%
Hispanic	981	50.91%	5,514	45.37%
Native Hawaiian	8	0.42%	69	0.57%
Two or More	44	2.28%	326	2.68%
White	132	6.85%	1,052	8.66%
N/A	30	1.56%	590	4.85%
Total	1,927	100.00%	12,154	100.00%

Demographics and Gender Information

Ethnicity/Gender	TCU & AFSCME	TCU & AFSCME	Metro	Metro
African American	607	31.50%	3,208	26.39%
F	281	14.58%	1,511	12.43%
M	326	16.92%	1,697	13.96%
American Indian	3	0.16%	38	0.31%
F	0	0.00%	10	0.08%
M	3	0.16%	28	0.23%
Asian	122	6.33%	1,357	11.17%
F	17	0.88%	280	2.30%
M	105	5.45%	1,077	8.86%
Hispanic	981	50.91%	5,514	45.37%
F	320	16.61%	1,137	9.35%
M	661	34.30%	4,377	36.01%
Native Hawaiian	8	0.42%	69	0.57%
F	1	0.05%	13	0.11%
M	7	0.36%	56	0.46%
Two or More	44	2.28%	326	2.68%
F	12	0.62%	110	0.91%
M	32	1.66%	216	1.78%
White	132	6.85%	1,052	8.66%
F	33	1.71%	234	1.93%
M	99	5.14%	818	6.73%
N/A	30	1.56%	590	4.85%
F	7	0.36%	169	1.39%
M	23	1.19%	421	3.46%
Grand Total	1,927	100.00%	12,154	100.00%

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Staff recommendations support LA Metro's Vision 2028 goals in the following manner:

GOAL: Deliver outstanding trip experiences for all users of the transportation system: Recruit, retain, and provide updated training to members as the agency brings in new technology and reduces its carbon footprint.

GOAL: Enhance communities and lives through mobility and access to opportunity: Provide opportunity for union members to be trained in additional crafts, thereby creating additional positions (through vacancies) which can be filled by members of the community at large.

GOAL: Provide responsive, accountable, and trustworthy governance within the Metro organization: During negotiations, staff established a stronger relationship of trust by using the "interest based/collaborative" negotiation style. This creates a better working relationship with the unions and reduce tension and friction between labor and management.

ALTERNATIVES CONSIDERED

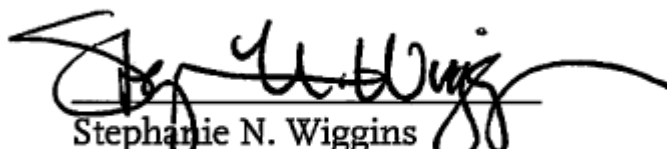
The Board may choose not to approve the new agreements. This option is not recommended as it would be contrary to the tentative agreements reached with TCU and AFSCME labor and management bargained in good faith. These agreements are the foundation of the commitment between labor and management for nearly 1,927 represented employees.

NEXT STEPS

Staff will implement the successor collective bargaining agreements.

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