



Board Report

File #: 2024-0493, **File Type:** Policy

Agenda Number:

**REGULAR BOARD MEETING
JULY 25, 2024**

SUBJECT: COLLECTIVE BARGAINING AGREEMENT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE a successor collective bargaining agreement with the Amalgamated Transit Union (ATU) Local 1277, effective July 1, 2024; and
- B. AMEND the FY25 budget in the amount of \$35.6 million for the implementation for the wage and benefit changes for the approval of the final collective bargaining agreement.

ISSUE

As of June 21, 2024, Metro reached a tentative agreement with the Amalgamated Transit Union (ATU) Local 1277 for a term of five years effective July 1, 2024, to June 30, 2029. The ATU represents our mechanics, service attendants and maintenance personnel. Eighty-three percent of the voting ATU membership ratified their tentative agreement on July 18, 2024. ATU's labor agreement is now being presented to the Board for approval.

BACKGROUND

The collective bargaining agreement with ATU which governs the wages, benefits, health, safety, and workforce needs of our mechanics, service attendants, and maintenance personnel, expired on June 30, 2024. Staff began preparing for negotiations over six months ago. Beginning in March 2024, 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, our joint interests.

The preparation for contract negotiations left both parties with a clear vision of the direction Metro is heading and a path to making meaningful contributions to our future. Prior to beginning formal

negotiations, the following principles were identified to guide our work at the bargaining tables:

- The **users of our services and the taxpayers** within LA County are Metro’s key stakeholders. It is excellence in service and support that they have come to expect and that they deserve.
- An understanding that Metro’s **workforce is essential** to the agency’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**.
- Intention to negotiate the agreements in good faith, to build a **stronger organization and to be financially prudent and good stewards of taxpayer dollars**.
- Recognition that moving into the future, the use of **technologically advanced equipment will evolve**, including electric buses for a cleaner Los Angeles.
- A commitment to **honoring our agreements** and to be transparent in our efforts to lead LA Metro into the future of our industry.

DISCUSSION

Metro’s goals for a successor collective bargaining agreement focused on lessons learned from the pandemic that improve customer experience and employee experience through streamlining duties across classifications to ensure cleaner trains and work rule changes. Metro gained contract provisions to support the joint interests in employee well-being. As the agency moves to electric vehicles and new technology, staff made certain to protect employees with appropriate personal protective equipment/PPE (e.g. composite boots instead of steel toed boots). In addition, the parties negotiated mandatory trainings on de-escalation, active shooter, and emergency preparedness (site specific) to keep employees safe in the workplace.

The salary and wage increases will average 4.4% annually over 5 years along with a 0.25% quarterly wage adjustment each year. Health and welfare increases are included and follow the terms of the contract.

| Wages | Number of Employees | FY25 | FY26 | FY27 | FY28 | FY29 | Average Annual Rate |
|-------|---------------------|------|------|------|------|------|---------------------|
| ATU | 2,654 | 4% | 4% | 4% | 5% | 5% | 4.40% |

DETERMINATION OF SAFETY IMPACT

Approval of the collective bargaining agreement has a positive impact on safety due to the negotiated work rules directly related to safety. Additionally, the new successor agreement will allow for the safe

delivery of continued and uninterrupted transit service for customers and employees, as the ATU workforce adds value and is essential to our mission and goals.

FINANCIAL IMPACT

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 \$35.6 million is necessary to account for additional expenses specific to the ATU collective bargaining agreement.

Impact to Budget

Sources of funds will parallel the projects charged agency wide over the five year period and will include operating and capital eligible funds encompassing sales tax, fares, federal, state and local funds.

| Wages | Number of Employees | FY25 | FY26 | FY27 | FY28 | FY29 | Average Annual Rate |
|-------|---------------------|------|------|------|------|------|---------------------|
| ATU | 2,654 | 4% | 4% | 4% | 5% | 5% | 4.40% |

*Continued 0.25% Quarterly Wage Adjustment each year

EQUITY PLATFORM

The collective bargaining agreement with the ATU effective July 1, 2024, has taken into account equity related issues. This includes annual wage increases which will help with retention and recruitment to ensure that there is no delay in current and future projects, especially as the agency moves into new technology, e.g. electric vehicles. Being able to maintain transit service levels with cleaner vehicles will benefit Metro’s core ridership and the Equity Focus Communities we serve. Further, the agreement will benefit Metro’s workforce represented by ATU, which is a majority of people of color (see tables below):

Demographics Summary

| Ethnicity | ATU | | Metro | |
|------------------|--------------|----------------|---------------|----------------|
| | Staff | Percentage | Staff | Percentage |
| African American | 336 | 12.66% | 3,138 | 26.31% |
| American Indian | 8 | 0.30% | 36 | 0.30% |
| Asian | 460 | 17.33% | 1,344 | 11.27% |
| Hispanic | 1,425 | 53.69% | 5,362 | 44.95% |
| Native Hawaiian | 31 | 1.17% | 71 | 0.60% |
| Two or More | 58 | 2.19% | 328 | 2.75% |
| White | 289 | 10.89% | 1,051 | 8.81% |
| N/A | 47 | 1.77% | 599 | 5.02% |
| Total | 2,654 | 100.00% | 11,929 | 100.00% |

Demographics and Gender Information

| Ethnicity/Gender | ATU | | Metro | |
|-------------------------|--------------|----------------|---------------|----------------|
| | Staff | Percentage | Staff | Percentage |
| African American | 336 | 12.66% | 3,138 | 26.31% |
| F | 87 | 3.28% | 1,484 | 12.44% |
| M | 249 | 9.38% | 1,654 | 13.87% |
| American Indian | 8 | 0.30% | 36 | 0.30% |
| F | | 0.00% | 10 | 0.08% |
| M | 8 | 0.30% | 26 | 0.22% |
| Asian | 460 | 17.33% | 1,344 | 11.27% |
| F | 11 | 0.41% | 274 | 2.30% |
| M | 449 | 16.92% | 1,070 | 8.97% |
| Hispanic | 1,425 | 53.69% | 5,362 | 44.95% |
| F | 89 | 3.35% | 1,114 | 9.34% |
| M | 1,336 | 50.34% | 4,248 | 35.61% |
| Native Hawaiian | 31 | 1.17% | 71 | 0.60% |
| F | 2 | 0.08% | 13 | 0.11% |
| M | 29 | 1.09% | 58 | 0.49% |
| Two or More | 58 | 2.19% | 328 | 2.75% |
| F | 2 | 0.08% | 114 | 0.96% |
| M | 56 | 2.11% | 214 | 1.79% |
| White | 289 | 10.89% | 1,051 | 8.81% |
| F | 9 | 0.34% | 225 | 1.89% |
| M | 280 | 10.55% | 826 | 6.92% |
| N/A | 47 | 1.77% | 599 | 5.02% |
| F | 11 | 0.41% | 171 | 1.43% |
| M | 36 | 1.36% | 428 | 3.59% |
| Total | 2,654 | 100.00% | 11,929 | 100.00% |

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Staff recommendation supports 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 ATU members as the agency brings in new technology and reduces its carbon footprint. In addition, staff achieved additional enroute cleaning of our trains so customers see improvements in the cleanliness of our trains.

GOAL: Enhance communities and lives through mobility and access to opportunity:

Provide opportunity for ATU members to be trained in additional crafts, thereby creating additional positions (through vacancies) which can be filled by members of our community at large.

GOAL: Provide responsive, accountable, and trustworthy governance within the Metro organization:

During the ATU negotiations, staff established a stronger relationship of trust by using the “interest based/collaborative” negotiation style. This creates a better working relationship with the ATU and reduce tension and friction between labor and management.

ALTERNATIVES CONSIDERED

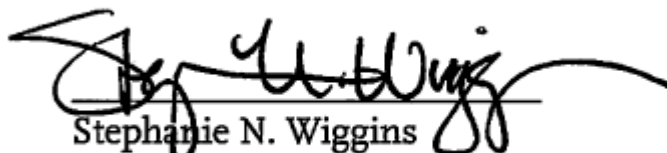
The Board may choose not to approve the new agreement. This option is not recommended as it would be contrary to the tentative agreement reached with ATU. Labor and Management bargained in good faith. This agreement is the foundation of the commitment between Labor and Management for nearly 2,600 ATU represented employees.


NEXT STEPS

Staff will implement the successor collective bargaining agreement.

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Chief Executive Officer



2024-29 Collective Bargaining Agreement with the Amalgamated Transit Union 1277 (ATU)

July 25, 2024

Background



- ATU represents approximately 2,560 employees in various classifications including mechanics and maintenance personnel
- ATU's prior agreements included:
 - July 1, 2017 – June 30, 2022 (five years)
 - July 1, 2022 – June 30, 2024 (two-year extension)
- Negotiations for a successor CBA began on March 11, 2024 following interest-based bargaining training for LACMTA and union representatives

Metro/ATU Tentative Agreement



- June 21, 2024: LACMTA and ATU reached a tentative agreement
- July 18, 2024: 83% of ATU membership who were present voted to ratify the tentative agreement.
 - Five-year term through June 30, 2029
 - 4.0% wage increases for FY25, FY26, and FY27
 - 5% wage increases for FY28 and FY29
 - 1% annual Quarterly Wage Adjustments
 - \$100 per member increase in 2024/26 when LACMTA is required to make monthly contributions for health benefits
 - Streamlining duties across classifications to ensure cleaner trains
 - Subcontracting flexibility

Staff Recommendation

- Staff recommends the LACMTA Board approve the 2024-29 CBA tentative agreement with ATU
- Upon Board approval, the terms of the tentative agreement will be implemented effective July 1, 2024