



Board Report

File #: 2024-1070, File Type: Agreement

Agenda Number: 35.

REGULAR BOARD MEETING DECEMBER 5, 2024

SUBJECT: COLLECTIVE BARGAINING AGREEMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE successor collective bargaining agreement with the International Brotherhood of Teamsters Union Local 911(Teamsters), effective July 1, 2024; and
- B. AMEND the FY25 budget in the amount of \$3.7 million for the implementation of the wage and benefit changes for the approval of the final collective bargaining agreement.

ISSUE

The Teamsters collective bargaining agreement expired on June 30, 2024. Negotiations with union leadership began in February 2024. As a result of collaboration with union leadership and Metro management/negotiating teams, the Teamsters successor agreement was successfully negotiated within ten months.

BACKGROUND

Staff prepared for contract negotiations beginning over ten 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 towards 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 November 13, 2024, Metro reached a tentative agreement with Teamsters on the successor labor agreement for a term of five years, effective July 1, 2024, to June 30, 2029. This labor union represents Metro Transit Security Officer I (TSO I), Transit Security Officer II (TSO II), Sr. Transit Security Officer (STSO) and Security Control Specialist. Benefits of the agreement include:

- Stricter guidelines regarding work shifts to enhance safety across the transit system;
- Expanded training period and curriculum to ensure staff preparedness; and
- Streamlined qualifications to improve hiring and retention efforts.

Teamster members ratified their tentative agreement on November 21, 2024, with a 73% yes vote. This new labor agreement is now being presented to the Board for approval. The new successor agreement for Teamsters will commence July 1, 2024, through June 30, 2029.

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 ensure Metro’s transportation system continues to be safeguarded through a comprehensive plan involving multiple security personnel. Specifically, Metro Teamsters staff will enforce the code of conduct and fare payment across the transit system, ensuring compliance and maintaining order for Metro’s customers and employees., Metro Teamsters staff add value, ensure safety, and are 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
TEAMSTERS	210	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 \$3.7 million is necessary to account for additional expenses specific to the Teamsters collective bargaining agreement.

The funding for this amendment will be Federal, State and Local sources which are eligible for Bus and Rail Operations.

EQUITY PLATFORM

The collective bargaining agreement with Teamsters effective July 1, 2024, has considered equity impacts such as the annual wage increases which will help with retention and recruitment issues and will ensure that Metro's transportation system is safe for customers, employees, and the communities Metro serves. Further, the agreement is anticipated to benefit the diverse composition of Metro's workforce represented by Teamsters (see tables below):

Demographics Summary

Ethnicity	TEAMSTERS	TEAMSTERS	Metro	Metro
African American	75	35.71%	3,207	26.37%
American Indian	0	0.00%	38	0.31%
Asian	13	6.19%	1,352	11.12%
Hispanic	102	48.57%	5,526	45.44%
Native Hawaiian	1	0.48%	71	0.58%
Two or More	7	3.33%	327	2.69%
White	4	1.90%	1,049	8.63%
N/A	8	3.81%	590	4.85%
Total	210	100.00%	12,160	100.00%

Demographics and Gender Information

Ethnicity/Gender	TEAMSTERS	TEAMSTERS	Metro	Metro
African American	75	35.71%	3,207	26.37%
F	26	12.38%	1,504	12.37%
M	49	23.33%	1,703	14.00%
American Indian	0	0.00%	38	0.31%
F	0	0.00%	10	0.08%
M	0	0.00%	28	0.23%
Asian	13	6.19%	1,352	11.12%
F	1	0.48%	278	2.29%
M	12	5.71%	1,074	8.83%
Hispanic	102	48.57%	5,526	45.44%
F	17	8.10%	1,139	9.37%
M	85	40.48%	4,387	36.08%
Native Hawaiian	1	0.48%	71	0.58%
F	0	0.00%	13	0.11%
M	1	0.48%	58	0.48%
Two or More	7	3.33%	327	2.69%
F	1	0.48%	111	0.91%
M	6	2.86%	216	1.78%
White	4	1.90%	1,049	8.63%
F	0	0.00%	234	1.92%
M	4	1.90%	815	6.70%
N/A	8	3.81%	590	4.85%
F	2	0.95%	168	1.38%
M	6	2.86%	422	3.47%
Grand Total	210	100.00%	12,160	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 train employees with the training necessary to effectively and compassionately ensure that Metro's transportation system is safe for customers and employees.

GOAL: Enhance communities and lives through mobility and access to opportunity: Provide opportunity for union members to support the delivery of transportation service by ensuring safety throughout the transit network and the communities Metro serves within Los Angeles County.

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

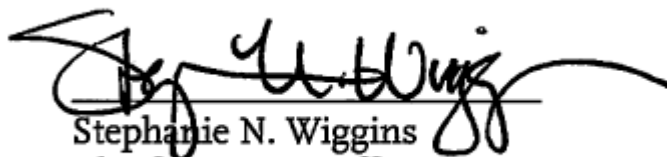
The Board may choose not to approve the new agreement. This option is not recommended as it would be contrary to the tentative agreement reached with Teamsters labor and management bargained in good faith. This agreement is the foundation of the commitment between labor and management for 210 represented employees.

NEXT STEPS


Staff will implement the successor collective bargaining agreement.

Prepared by: Cristian Leiva, Deputy Chief People Officer, Labor Negotiations (213) 922-3035

Reviewed by: Dawn Jackson-Perkins, Chief People Officer (Interim), (213) 418-3166



Stephanie N. Wiggins
Chief Executive Officer



Collective Bargaining Agreement with Teamsters July 2024 - June 2029

Metro/Teamsters Tentative Agreement

- On November 13, 2024, LACMTA reached a tentative agreement with the International Brotherhood of Teamsters Union Local 911 (Teamsters)
- On November 21, 2024, Teamsters members ratified their tentative agreement
- 73% of the Teamsters 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
 - 0.25% annual Quarterly Wage Adjustments
 - Health and welfare increases are included to follow the terms of the contracts
 - Streamlined qualifications to improve hiring and retention efforts

Staff Recommendation

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