

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/26/2023

Staff Report No. 23-274

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Collective Bargaining Agreement Extension

ACTION ITEM

RECOMMENDED ACTION(S):

Consider the adoption of Resolution 23-024 confirming the approval of an extension of the 2020-2023 Collective Bargaining Agreement with the American Federation of State, County and Municipal Employees (AFSCME), Local 3916 through June 30, 2026.

STRATEGIC IMPORTANCE:

Goal - High-Performing Workforce

Initiative - Employee Recruitment, Training and Retention

The approval of collective bargaining agreements between the District and its Unions supports the strategic goals of High Performing Workforce, Financial Stability and Resiliency, and Convenient and Reliable Service. Collective bargaining agreements confirm compensation, benefits and labor costs for employee recruitment, retention and labor forecasting, thus supporting District fiscal responsibility as labor costs will be identified and managed. Convenient and Reliable Service is supported by ensuring a key group of the District's workforce will continue vital operations for District facilities and vehicles.

BUDGETARY/FISCAL IMPACT:

The fiscal impact of the agreement is estimated to be \$13.1 million over three years in annual wage increases and cash signing bonus. This breaks down to \$2.6 million for FY 2023-24, \$4.2 million for FY 2024-25 and \$6.3 million for FY 2025-26. If the signing bonus is paid out before the end of this fiscal year, that will result in \$562,000 this year and \$2.0 million in FY 2023-24.

The fiscal impact for the coming three fiscal years will be incorporated in the planning and preparation for each fiscal year's operating budget.

BACKGROUND/RATIONALE:

The 2020-2023 CBA will expire on June 30, 2023. In lieu of full negotiations, the District and AFSCME Local 3916 agreed to negotiate financial issues only and extend the remainder of the CBA through June 30, 2026. AFSCME and the District reached a Tentative Agreement that was ratified by ATU membership on April 21, 2023. The terms outlined in Exhibit A to Resolution No. 23-024 include wage adjustments, signing bonus,

CalPERS Medical Re-Opener, further discussion of contractual matters as specified, and the term of the agreement.

Board approval is now needed to formally extend the 2023-26 CBA by adopting Resolution No. 23-024.

ADVANTAGES/DISADVANTAGES:

The advantage of approving an extension of the collective bargaining agreement is that the labor agreement between AFSCME and the District will continue until June 30, 2026, giving the District three more years of labor harmony. In addition, staff time and money will be saved by forgoing full negotiations. Other than the additional cost of the contract, there are no disadvantages to approving the extension of the 2020-2023 collective bargaining agreement.

ALTERNATIVES ANALYSIS:

Full negotiations with AFSCME were considered. This was not recommended due to the time and expense of full negotiations and the uncertainty of the financial landscape.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Resolution No. 21-027

ATTACHMENTS:

1. Resolution No. 23-024 and Related Exhibits

Approved/Reviewed by:

Sebron Flenaugh, Executive Director of Human Resources

Chris Andrichak, Chief Financial Officer

Jill A. Sprague, General Counsel