

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 8/7/2025

Staff Report No. 25-395

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Collective Bargaining Agreement

ACTION ITEM

RECOMMENDED ACTION(S):

Consider the adoption of Resolution 25-031 confirming the approval of a Collective Bargaining Agreement with the Amalgamated Transit Union (ATU), Local 192 through June 30, 2029. [Subject to ratification by ATU Local 192]

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 \$88.3 million in total wage increases for the term of the contract. This breaks down to \$9.3 million for FY 2025-26, \$17.1 million for FY 2026-27, \$25.6 million for FY 2027-28 and \$36.4 million for FY 2028-29.

The FY 2025-26 4% contractual wage will result in an increase of \$2.9 million over the current budget. Non-wage costs will increase by \$164,028 over the current budget. District reserves will be used to fund these increases. The fiscal impact for the three remaining fiscal years will be incorporated in the planning and preparation for each fiscal year's operating budget.

BACKGROUND/RATIONALE:

The 2022-2025 CBA expired on June 30, 2025. The District and ATU engaged in good faith negotiations beginning in early 2025 and ATU and the District reached a Tentative Agreement that was ratified by ATU

membership on August 6, 2025, with the following key terms:

- The term of the CBA will be for four years, expiring on June 30, 2029
- Wages for ATU members shall be increased as follows:
 - o Four percent (4%) effective July 20, 2025
 - o Three point two five percent (3.25%) effective July 1, 2026
 - o Three point two five percent (3.25%) effective July 1, 2027
 - o Four percent (4%) effective July 1, 2028
- Non-wage cost increases by year are as follows:
 - o FY25-26 - \$164,028
 - o FY26-27 - \$167,684
 - o FY27-28 - \$171,458
 - o FY28-29 - \$176,254

Board approval is now needed to formally approve the 2025-2029 CBA pursuant to the terms set forth above.

ADVANTAGES/DISADVANTAGES:

Approving the proposed collective bargaining agreement offers a key advantage: it extends the labor agreement between ATU and the District through July 2029, providing an additional four years of labor stability. Aside from the increased cost associated with the contract, there are no identified disadvantages to moving forward with approval.

ALTERNATIVES ANALYSIS:

The bargaining process is where the alternatives that make up the agreement were discussed. The Board could choose to reject the collective bargaining agreement. This is not recommended as the agreement is in the best interest of both the District and the Union. Declining to approve the new agreement risks labor unrest, operational disruptions, legal exposure, and reputational harm.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Resolution No. 22-017

ATTACHMENTS:

1. Resolution No 25-031 and Related Exhibit

Prepared by:

James Arcellana, Interim Executive Director of Human Resources

Approved/Reviewed by:

Aimee Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer