

ORDINANCE NO. 019-1

AN ORDINANCE AUTHORIZING
EXECUTION OF A COLLECTIVE
BARGAINING AGREEMENT
CONTAINING THE TERMS OF A
TENTATIVE AGREEMENT WITH THE
INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 399

WHEREAS, The Metropolitan Transit Authority Act, 70 ILCS 3605/28a, provides that the Chicago Transit Board has the right to deal with and enter into collective bargaining agreements with employees represented by a labor organization; and

WHEREAS, The International Union of Operating Engineers, Local 399, is the bargaining agent for certain operating engineers of the Chicago Transit Authority; and

WHEREAS, The Chicago Transit Authority and Local 399 have reached a tentative agreement attached hereto on the terms of a new Collective Bargaining Agreement, also known as the Wage and Working Conditions Agreement, effective January 1, 2017 through December 31, 2021; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute a Wage and Working Conditions Agreement with the International Union of Operating Engineers, Local 399, with a term of January 1, 2017 through December 31, 2021, reflecting the terms of the attached tentative agreement between the Chicago Transit Authority and the International Union of Operating Engineers, Local 399.

SECTION 2. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

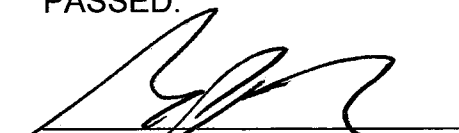
SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:


Chairman

January 9, 2019

PASSED:


Assistant Secretary

January 9, 2019

MEMORANDUM OF AGREEMENT

This Agreement, made by and between the Chicago Transit Authority ("CTA" or the "Authority") and the International Union of Operating Engineers, Local 399 (the "Union") this 15th day of November, 2018 as follows:

1. The CTA and the Union hereby extend the terms of the 2012-2016 collective bargaining agreement except as modified herein, for the time period January 1, 2017 through 11:59 p.m. December 31, 2021.

2. The CTA and the Union hereby adopt the following language changes:

(a) Effective date of Agreement: January 1, 2017.

(b) Wage Rates: Amend Article 2.1 of the Agreement as follows:

(i) Delete existing paragraph A of Section 2.1.

(ii) (Designate Section B as Section A and change the text of current Section B as follows):

Effective January 1, 2017, employees in the classifications of Chief Engineer, Assistant Chief Engineer and Stationery Engineer shall receive the hourly rate being paid to crafts or job classifications doing similar kinds of work in Cook County pursuant to the formula currently in use by the United States Department of labor in administering the Davis Bacon Act set forth in paragraph C below.

As of July 1, 2017, the hourly rates for the classifications listed below are as follows:

| | |
|--------------------------|---------|
| Chief Engineer | \$59.66 |
| Assistant Chief Engineer | \$54.72 |
| Stationery Engineer | \$47.23 |

(iii) (Designate Section C as Section B and change the text of current Change Section C as follows):

Effective as of July 1 of each year of this Agreement beginning in 2017, the wage rate referred to in the immediately preceding section shall be adjusted to reflect the hourly wage rates effective on such dates being paid to crafts or job classifications doing similar work in Cook County pursuant to the formula specified in Section 2.1.B above. In the event the hourly wage rates effective July of each year covered by this Agreement are established at an effective date later than July 1, then such rates, when established, shall be paid as of said effective date. Except as provided in Section 2.1 B above the

Employer will not adjust said wage rates more than one time in any calendar year determined by averaging the wage rate provided in the Collective Bargaining Agreement between the Metropolitan Water Reclamation District and the International Union of Operating Engineers, Local 399 and the wage rate provided in the Collective Bargaining Agreement between the University of Illinois at Chicago and the International Union of Operating Engineers Local 399. In the event there is a delay in establishing a new rate for either agency, the Chicago Transit Authority will not implement a change in rate until the rates are established by both agencies. If a rate is established at an effective date later than July 1st of any given year, then the average rate will be determined and applied on said effective date. If a new rate is not established by November 1st of a given year, the existing rates will be used to establish the average prevailing rate and will be effective November 1st of a given year. In no event will the Chicago Transit Authority change the rate of pay more than one time in a given year. If the rate is established after November 1st effective prior to July 1st, it will not be used in the calculation until the next July 1st. The Chief Executive Officer of the Union shall annually certify to the Chicago Transit Authority the adjustment, if any, to the above referenced hourly wage rates to be made on each July 1 during the term of this Agreement. Upon request, of the Chicago Transit Authority, the Union shall provide reasonable evidence to support such certification. (New language underlined; prior language struck out).

(c) **Article I, Section 1.7, Layoff:** Amend Section 1.7, Layoff, as follows:

During the term of this Agreement there shall be no layoff of any permanent, full-time bargaining unit employee who on January 1, 2012 2017 had one (1) or more years of continuous service. (New language underlined; prior language struck out).

(d) **Article 5, Health Care:** Amend Article 5, Health Care, as follows:

(i) Except as provided herein, the plan design for the Authority's Health Care in effect as of January 1, 2018 shall be maintained for the life of this Agreement.

(ii) (add the following new paragraphs to Section 5.4(E) of the Agreement):

Effective subsequent to the January 1, 2015 monthly employee contribution increase, an adjustment to the premium will be made on January 1st of the next year reflecting 75% of the premium increase, 2016 over 2015. A similar adjustment will be made effective January 1 every year thereafter. In no case will any net additional deduction exceed the following amounts: for an employee with single coverage, \$0.13 per hour; for an employee with family coverage, \$0.25 per hour.

For the calendar years 2019 and 2020 only, the CTA agrees to waive up to \$270.40 each year (2019 and 2020) per employee with single coverage and up to \$520.00 each year (2019 and 2020) per employee with family coverage from their annual premium contributions. The adjustments to the premium increase as set forth in Article 5.4(E) shall continue notwithstanding this waiver in 2019 and 2020 and thereafter unless the parties negotiate otherwise.

The open enrollment forms for 2019 and 2020 will set forth, respectively, the premiums in effect for 2019 and 2020 and the premiums employees will be paying as a result of this waiver in 2019 and 2020."

The CTA will notify the President of the Union prior to the issuance of an RFP for the healthcare plan administrator and discuss the results of the RFP prior to execution of the contract. (New language underlined).

- (ii) Adopt the Authority's proposal on the Employee Substance Abuse Assistance Program. (New language underlined).
- (e) Adopt new Agreement on Trainees as attached hereto.
- (f) During the term of this Agreement, the parties will meet and discuss the possible implementation of a requirement for unit employees to wear uniforms, and the amount of a uniform allowance to be paid to employees should such a program be enacted.
- (g) Term of Agreement: Amend Article 9, Section 9.1 as follows:

This Agreement and the provisions thereof, when signed by the proper officials of the Authority and the Union shall become operative as of the first day of January, ~~2012~~ 2017 and shall remain in force until and including December 31, ~~2016~~ 2021, and shall continue in full force and effect from year to year thereafter, unless written notice is given by either party hereto to the other on or before sixty (60) days prior to December 31, ~~2016~~ 2021 or sixty (60) days prior to December 31st of any subsequent contract year, requesting that the Agreement be amended or canceled. If amendment is desired, the contents of the amendment shall be submitted by either party to the other not later than sixty (60) days prior to any expiration date, and such amendment shall not become effective until the first day of January following the expiration date, provided changes mutually agreeable to the representatives of both parties may be made at any time.

Notwithstanding the foregoing, the Agreement may be reopened if the amended Authority budget submitted pursuant to Section 2.18a of the Regional Transportation Authority Act is not approved by the Board of the

Regional Transportation Authority. (New language underlined; prior language struck out).

3. This Agreement is subject to ratification by the Unions' membership in accordance with their respective rules and by-laws, and by the Chicago Transit Board, and shall become effective upon said ratifications. All changes in contract language, wages and benefits shall take effect on the date of final ratification by both parties unless otherwise provided in the particular tentative agreement. Wage increases shall be retroactive to January 1, 2017 for all employees who are on the payroll as of the date of final ratification of this Agreement.

In Witness Whereof, the parties have affixed their signatures below by their respective representatives.

CHICAGO TRANSIT AUTHORITY

LOCAL 399, IUOE

By: 

By: 

Date: 11-15-18

Date: 11/15-18

AGREEMENT ON ENGINEER TRAINEE PROGRAM

SECTION 1. JURISDICTION

This Agreement has been entered into for the purpose of recording the parties' agreement on wages, hours and other terms and conditions of employment of Engineer Trainees (hereinafter referred to as "Trainees") employed in work within the traditional and historical work jurisdiction of the engineers under the direction of Engineers, Assistant Chief Engineers and Chief Engineers.

SECTION 2. RELATION TO PRINCIPAL AGREEMENT

The Employer and the Union entered into a Wage and Working Conditions Agreement covering wages, hours and other terms and conditions of employment of Engineers for the period from January 1, 2017 through December 31, 2021, which shall apply to Trainees unless there is a different and specific provision with respect to Trainees in this Agreement. Where such different and specific provisions for Trainees are made herein, they shall govern.

SECTION 3. EMPLOYMENT, TRAINING PERIOD AND PROBATIONARY PERIOD

- A. The number of Trainees who may be employed shall be determined by agreement between the Union and the Employer. The Employer shall give advance written notice to the Union of its intent to hire Trainees.
- B. The Employer will obtain the Union's consent to each individual hired as a new Trainee and the Union agrees that its consent will not be unreasonably withheld. In the event the Employer decides it must layoff one or more Operating Engineers, Employer will terminate the employment of any Trainee upon the effective date of such layoff and will not hire any Trainees until all laid off Operating Engineers eligible for reinstatement are reinstated.
- C. The Engineer Trainee Program is designed to train persons so that they qualify to become Engineers. Ordinarily, three (3) years training is required for qualification, but in particular cases where the earlier full qualification of a Trainee is agreed to by the Union and the Employer, a shorter training period may be deemed sufficient. Each person who enters the Trainee Program shall attend the Local 399 school at their own expense for the full three (3) year period. Upon written request from the Employer, the Union shall provide the Employer with written verification of the Trainee's progress in and completion of such schooling.
- D. Each Trainee shall be a probationary employee for the first four (4) months of his employment with the Employer. During the probationary period, he may be discharged, laid off, or otherwise terminated without regard to the usual requirement of just cause, or

resort to the grievance procedure applicable to Trainees upon completion of the four (4) month probationary period. Trainees shall not be required to work a shift alone.

- E. A trainee who completes the Engineer Trainee Program may apply for a permanent Engineer position with the Employer, subject to the Employer's normal hiring requirements and the existence of an open budgeted vacancy. There shall be no guarantee that a Trainee will be hired as a full-time Engineer. Further, the Employer shall not use Trainees to displace a full-time Engineer in the bargaining unit.

SECTION 4. WAGE RATES

The starting rate and job wage rates of Trainees shall be:

| | |
|----------------------------------|---------|
| First 12 months of service..... | \$14.25 |
| Second 12 months of service..... | \$15.25 |
| Third 12 months of service..... | \$16.50 |
| Fourth 12 months of service..... | \$17.50 |

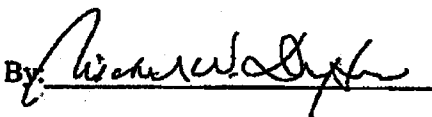
The Employer will notify the Union whenever the wages of a Trainee are adjusted. Notwithstanding the foregoing, if the trainee rates throughout the City of Chicago increase during the term of this Agreement, CTA agrees to match those rates.

SECTION 5. DURATION OF AGREEMENT

The terms of this Agreement shall expire December 31, 2021. For the duration of this Agreement, the parties hereto waive further collective bargaining on appropriate subjects of bargaining whether or not discussed during negotiations or mentioned herein; provided, however, such waiver shall not prevent the parties from reaching mutual understanding as to the application or interpretation of any provision of this Agreement.

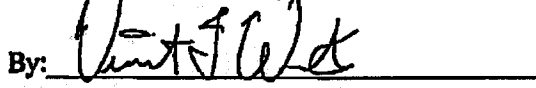
This Agreement is made in duplicate and each copy is an original executed at Chicago, Illinois this 15th day of November, 2018.

CHICAGO TRANSIT AUTHORITY:

By: 

INTERNATIONAL UNION OF OPERATING
LOCAL 399:

By: 
BRIAN HICKEY
PRESIDENT & BUSINESS MANAGER

By: 
VINCENT T. WINTERS
RECORDING/CORRESPONDING SECRETARY



To: Terry Peterson
Chairman

From: Dorval R. Carter, Jr.
President

Date: January 9, 2019

Re: **Recommendation to Authorize Execution of a Collective Bargaining Agreement Containing the Terms of a Tentative Agreement with the International Union of Operating Engineers, Local 399**

A. Parties Involved

- Chicago Transit Authority ("CTA")
- International Union of Operating Engineers, Local 399 ("Union")

B. Brief Description

Section 28(a) of the Metropolitan Transit Authority Act provides that the Chicago Transit Board may deal with and enter into collective bargaining agreements with employees represented by labor organizations. The Union is the bargaining agent for nine building operating engineers employed by the CTA.

CTA and the Union have reached a tentative agreement to cover the contract term of January 1, 2017 through December 31, 2021. Key provisions of the tentative agreement are summarized below:

1. WAGES

The tentative agreement codifies the existing practice used to establish the operating engineers' prevailing rate: It will be determined annually by averaging the rate provided in the Union's collective bargaining agreement with the Metropolitan Water Reclamation District and the rate provided in the Union's collective bargaining agreement with the University of Illinois at Chicago. As of July 1, 2018, the hourly rates for the operating engineers are as follows:

| | |
|--------------------------|---------|
| Chief Engineer | \$60.85 |
| Assistant Chief Engineer | \$55.78 |
| Stationary Engineer | \$48.17 |

2. HEALTH CARE

The tentative agreement adopts the same plan design as that in the CTA's collective bargaining agreement with the Amalgamated Transit Union Locals 241 and 308, including the annual premium increase formula which allows CTA to control the rising costs of employee health care.

3. ENGINEER TRAINEE PROGRAM

The tentative agreement includes a new engineer trainee program that CTA may use at its sole discretion. Ordinarily, three years of training are required to qualify as an operating engineer. Trainees would attend the Local 399 training facility at their own expense while also working at the CTA to obtain on-the-job experience.

C. **Effect on Service/CTA Customers**

There will be no impact on CTA service or CTA customers.

D. **Financial Impact**

The direct cost of wages for the affected employees, including back pay, is estimated to increase \$235,856 by the end of 2019.

E. **Other Related Issues**

None.

Recommended by:

| | |
|-------------------|-------------------|
| <i>Tom McKone</i> | <i>12/21/2018</i> |
|-------------------|-------------------|

Tom McKone, Chief Administrative Officer

| | |
|---------------------|-------------------|
| <i>Donald Bonds</i> | <i>12/22/2018</i> |
|---------------------|-------------------|

Donald Bonds, Chief Transit Officer

| | |
|-----------------------|------------------|
| <i>Jeremy V. Fine</i> | <i>01/3/2019</i> |
|-----------------------|------------------|

Jeremy V. Fine, Chief Financial Officer

| | |
|--------------------|------------------|
| <i>Brad Jansen</i> | <i>01/3/2019</i> |
|--------------------|------------------|

Brad Jansen, Deputy General Counsel, Labor & Employment

Reviewed by:

| |
|--|
| <i>Karen G. Seimetz</i> <i>01/4/2019</i> |
|--|

Karen G. Seimetz, General Counsel