



Worcester Regional Transit Authority

Advisory Board Meeting July 16, 2015

2015 Contract Settlement

Agreements

- Agreed to Implement a Light Duty Policy where eligible employees will be assigned work that is supplemental to work usually performed by other employees such as cleaning interior bus windows, dashboards and operator seats and the surrounding area.
- Agreed to amend the Worker's Compensation language so those employees are required to come in every two weeks to give updates and pay Insurance Premiums & Dues.
- Agreed to amend contract pension language which will allow the pension fund to go from running out of funds in 15 years to reducing the unfunded liabilities to \$19,819,105 in 40 years.

Contract	Year	Funding Ratio	Unfunded Liabilities
Current	2030	-1.8%	\$35,907,599
Proposed Contract Changes			
	2030	23.4%	\$26,060,428
	2055	55.4%	\$19,819,105

Actuary Recommended Changes to Pension Benefits

Changed contribution for employee's with more than 5 years of service to 10.5% as of 7/1/15 and to 11.5% as of 1/1/17. 1% equals \$114,000 therefore the company and the union would be increasing their contribution to \$228,000 over the three year period

Employee's with less than 5 years of service will contribute 9.5% until they reach the top operator rate (5 year salary progression)

Change contributions from post -tax to pre-tax

Final average salary will be based on the highest 5 years out of the last 10 rather than 3 out of 8.

Employee with less than 30 years of service, has less than 85 points and are under 65, will have an actuarial reduction prior to age 65.

Employees who retire due to disability will have a reduction for pre-60 retirement.

Rule of 85 Points retirement is only available for those hired prior to July 1, 2010.

Employee who retires within three years from Jan 1, 2016 will have the option of his/her highest 3 years out of the last 8 years



Agreements

- Agreed to change Regular Runs to Straight Runs and that Straight Runs shall comprise no less than 82% of all runs. The current contract requires that 75 jobs out of 107 have to be 8 hours or less which would change to 55 jobs out of 107 jobs.
- Add language requiring Drivers/Starters/Inspectors and Maintenance personnel to wear Safety vests while in the new M&O Center or when out of a vehicle on the right of way due to a vehicle accident or breakdown. In addition Maintenance employees will be required to wear Safety glasses when working on vehicles or while in the yard moving/servicing vehicles.
- Agree to amend hourly rate scale for the Accounts Receivable Clerk and Payroll Clerk to Specialist Rate – 109% of the top Operator Rate. Also, agreed to require Educational requirement of Associate's Degree in Accounting or Finance and Company reserve the right to have the position bonded.
- Agreed to change schedule for Day after Thanksgiving to a Saturday schedule for City and Van Division. Community Division will operate on a weekday level service and Maintenance will be manned at Saturday level.



Contract Settlement Total Cost

Contract Settlement Ratified by Local 22 July 12, 2015

		1st Year		2nd Year		3rd Year		New Contract	TOTALS	
		July	January	July	January	July	January	4th Year		
Union	Pension	1.00%			1.00%				2.00%	
	Wages	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	2.00%	9.00%	7% Value
		2.50%		2.00%		2.50%		2%	9.00%	9% Includes
Cost	Pension	\$58,089	\$63,763	\$63,819	\$70,159	\$70,290	\$76,824	\$180,311	\$583,254	Pension
	wages	\$53,502	\$54,037	\$54,577	\$55,123	\$56,262	\$56,825	\$115,922	\$446,249	
		\$111,591	\$117,800	118396	\$125,282	\$126,552	\$133,649	\$296,233	\$1,029,503	
NON-Union		1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	2.00%	9.00%	7% Value
CMTM	Wages	\$ 3,498	\$ 3,533	\$ 3,568	\$ 3,604	\$ 3,640	\$ 3,676	\$ 7,500	\$ 29,020	
Additional Labor Cost										
	Payroll & Accounting Clerks	\$ 5,657	\$ 5,713	\$ 5,770	\$ 5,828	\$ 5,945	\$ 6,004	\$ 12,128	\$ 47,046	
	Mechanic class B 20% cost			\$ 8,785	\$ 8,873	\$ 8,962	\$ 9,141	\$ 18,648	\$ 54,409	
Total CMTM		\$ 120,746	\$ 127,046	\$ 136,520	\$ 143,587	\$ 145,098	\$ 152,471	\$ 334,509	\$ 1,159,977	
PBSTM	Wages	1.00%	1.00%	1.00%	1.00%	2.00%	1.00%	2.00%	9.00%	7% Value
		\$ 2,144	\$ 2,165	\$ 2,187	\$ 2,209	\$ 2,231	\$ 2,253	\$ 4,597	\$ 17,787	
Total CMTM & PBSTM		\$122,890	\$129,211	\$138,707	\$145,796	\$147,329	\$154,724	\$339,106	\$1,177,764	