



PORT OF OAKLAND

LABOR FACT SHEET

Background

We appreciate our workforce, and we need sustainable contracts to retain jobs and keep people working. As labor contracts expire, both sides must negotiate new ones. As some contracts have expired, the Port is trying to achieve new labor agreements that will help us stay on a path to financial sustainability, addressing the following challenges that we face:

- While Port revenues are projected to increase 9 percent from 2011 to 2015, personnel expenditures are projected to climb 30 percent.
- The Port has approximately \$1.3 billion in debt.
- The Port faces \$850 million of unfunded liabilities and non-budgeted capital needs, including the maintenance of existing assets needed to serve our customers and sustain Port revenues. Of the \$850 million, unfunded pension and healthcare liabilities total over \$250 million.

Service Employees International Union (SEIU) Contract

- The Port began negotiations with SEIU Local 1021, which represents about half the Port's workforce, in July 2011.
- The Port's SEIU workers are the best compensated for their classifications of public sector workers in the region or at comparable ports—Our SEIU employees make 20% more than their counterparts.
- Specifically, we are seeking from SEIU:
 1. A contribution from all current employees to their retirement – something all senior management and some represented employees under new two-tier systems currently do
 2. A two-tier system for pension and healthcare for new hires – which all non-represented Port employees and two of four Port unions already have
 3. To maintain our already above-market compensation
- The Port reached a Tentative Agreement on the above issues in March 2012 which addressed some of the Port's economic concerns and kept our employees the best paid public agency workers in the region – but this was rejected by the SEIU membership (vote was: 170-3).

Current Status between the Port and SEIU Local 1021

- The Port declared impasse in May 2012, and it is now in the non-binding fact-finding phase.
- The Port and SEIU mutually selected an arbitrator (John Kagel), and the first non-binding fact-finding meeting between Port and SEIU officials is scheduled to take place on November 29.
- We had expected that this process would continue through the end of the year, hopefully leading to a mutually agreeable new contract within that time frame.