

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO 2017/18 PAY PLAN FOR CYRIDE DRIVERS <20 HOURS

BACKGROUND:

Each year the City Council approves a Pay Plan that specifies pay ranges and steps for the City's workforce. The City Council approved the FY 2017/18 Pay Plan on June 13, 2017. This plan contains rates of pay for three separate groups of CyRide drivers:

<u>Classification</u>	<u>Hourly Pay Range</u>	
	<u>Min</u>	<u>Max</u>
Full Time Transit Drivers	17.35	24.61
Part Time Drivers (≥20 hours/week)	14.84	19.54
Part-Time Transit Drivers (<20 hours/week)	12.6280	14.7960

The wages for Full Time Drivers and Part Time Drivers ≥20 hours/week are set by a collective bargaining agreement and are adjusted based on a step scale. However, the City sets the wage rate for Part Time Drivers who are below 20 hours. This wage rate has been intentionally set lower than the other categories of CyRide drivers to encourage drivers to take enough hours to qualify for the higher rate of pay. **City staff now proposes fixing the hourly rate of pay for Part Time Drivers (<20 hours/week) at \$14.84 for the remainder of the 2017/18 fiscal year. This change is anticipated to affect six Transit Drivers who are currently in the Part Time <20 hours/week category, and will result in approximately \$6,563 in increased cost in the current year's adopted budget for wages.**

The City has contracted with a firm to evaluate the City's compliance with the provisions of the Affordable Care Act (ACA). **City staff has concluded that increasing the hourly wage for Part Time Drivers (<20 hours/week) from the existing \$12.6280/hour minimum to \$14.8400/hour will allow CyRide to avoid penalties that otherwise might be experienced based on the ratio of wages to health insurance premiums.**

Additionally, the low unemployment rate in Ames has made it increasingly difficult to attract prospective transit drivers. Increasing this wage, along with other measures being considered by CyRide, will make employment with CyRide more attractive to the local job market.

At its meeting on December 12, 2017, the Transit Board of Trustees approved a motion supporting the elimination of the lower wage scale for Part-Time Drivers (<20

hours/week), thereby allowing all Part-Time Drivers to be paid a minimum of \$14.84 per hour.

ALTERNATIVES:

1. Approve an amendment to the 2017/18 Pay Plan, effective January 1, 2018, to set the rate of pay for Transit Drivers working less than 20 hours per week at \$14.8400 per hour.
2. Do not approve changes to the adopted 2017/18 Pay Plan.

MANAGER'S RECOMMENDED ACTION:

The wage rates in the adopted Pay Plan for Part Time Transit Drivers working less than 20 hours per week cause challenges in recruiting prospective drivers to CyRide, which is currently experiencing a driver shortage. Additionally, the lower wage rate is used in some of the calculations to determine the affordability of the City's health insurance offerings for compliance with the affordability provisions of the Affordable Care Act. **A higher wage would result in a more attractive employment opportunity, reduce the potential for non-compliance with the affordability provisions of the ACA, and reduce the administrative challenges associated with changing wage rates for employees when they modify their hours. The cost to increase this wage rate is minimal.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving an amendment to the 2017/18 Pay Plan, effective January 1, 2018, to set the rate of pay for Transit Drivers working less than 20 hours per week at \$14.8400 per hour.