

ITEM#: 17  
DATE: 06-14-22

## COUNCIL ACTION FORM

**SUBJECT: MEMORANDUM OF UNDERSTANDING WITH IUOE LOCAL 234 FOR CYRIDE ON-CALL COMPENSATION**

### **BACKGROUND:**

The wages and benefits for CyRide transit drivers are governed by a collective bargaining agreement with the International Union of Operating Engineers (IUOE) Local 234. Transit driver wages are set and paid based on this contract.

Along with many businesses in Ames and around the country, CyRide is struggling to hire and retain an adequate number of part-time drivers. The shortfall of drivers has continued to affect the organization into the summer schedule. Typically, CyRide has more than enough employees to cover the reduced hours of the summer schedule. However, this summer, the organization is facing a shortage of drivers and overtime is being offered where needed to fill out the schedule. A particular area of concern is the large vacancy rate for on-call shifts.

Currently, CyRide has 36% of on-call shifts open on weekdays, 88% on Saturdays, and 100% on Sundays. These vacancies create difficulties if drivers call in sick or extra help is needed. On-call shifts are currently paid \$5.00 per hour during the school year, and during the summer, the pay rate drops to \$1.00 per hour. At this level of compensation, drivers are not incentivized to take on-call shifts, leading to a high vacancy rate. Adjustments have been made to the processes that encourage and require drivers to sign up for less desirable shifts, including on-call shifts, but this ultimately harms other areas, including retention.

**To help incentivize drivers to choose these shifts, CyRide staff believes increasing the compensation for all on-call shifts to \$8.00 per hour year-round and offering a \$2.00 per hour shift premium for shifts worked by drivers called in for an on-call would help attract drivers to sign up for these shifts and reduce overtime expenses. This change would be effective through June 30, 2025.**

Representatives of the IUOE have been consulted and have approved the MOU. The Human Resources Director and the City Attorney have also reviewed the MOU. The Transit Board approved the new on-call compensation rates at its meeting on May 25, 2022. **The financial impact of the proposed change is estimated to be \$54,000 annually with current staffing levels.**

**ALTERNATIVES:**

1. Approve the attached Memorandum of Understanding with the International Union of Operating Engineers Local 234, authorizing increasing the transit driver on-call pay to \$8.00 per hour, with a shift premium in the amount of \$2.00 per hour for relevant work once called in.
2. Do not approve the Memorandum of Understanding.

**CITY MANAGER'S RECOMMENDED ACTION:**

CyRide is experiencing issues filling on-call shifts. Offering an increase of the on-call compensation to \$8.00 per hour year-round and a \$2.00 per hour shift premium would improve on-call shift coverage and help reduce overtime pay.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

**Memorandum of Understanding  
City of Ames  
and  
International Union of Operating Engineers, Local 234  
Blue Collar Unit**

June 16, 2022

Article 25.1 of the July 1, 2019, through June 30, 2025, collective bargaining agreements between the parties contains a beeper pay for Transit Drivers working “OCAM,” “OCM,” “OCPM,” and “OCN” shifts. The current beeper pay provides for five dollars (\$5.00) per hour during the ISU fall and spring semesters and one dollar (\$1.00) per hour at all other times for the time they are on call. The City of Ames proposes a temporary increase in the beeper pay and a shift premium. CyRide has had difficulties attracting drivers to fill these on-call shifts. To make these shifts more appealing to Transit Drivers, the parties have agreed to increase the beeper pay to eight dollars (\$8.00) per hour and two dollars (\$2.00) per hour shift premium for the remainder of the contract, ending on June 30, 2025.

This agreement does not affect standby pay or shift premiums for other classifications or wages. Their premiums will remain as previously agreed upon during contract negotiations. The changes are detailed below:

**ARTICLE 25  
STANDBY  
Effective June 16, 2022 – June 30, 2025**

25.1 Transit Drivers required to carry a beeper while off duty shall be paid eight dollars (\$8.00) per hour and two dollars (\$2.00) per hour shift premium for shifts worked while on call for runs “OCAM,” “OCM,” “OCPM,” and “OCN.” When on call, Transit Drivers must report for duty within one (1) hour of being called.

For the mutual benefit of the City of Ames and IUOE, both parties agree to incorporate the above-stated change to the terms agreed to in the collective bargaining agreement effective June 16, 2022. This provision is added to the agreement on a trial basis and will not be included in any future bargaining agreement unless agreed to by both parties.

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Bethany Ballou, HR Director  
City of Ames

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Date

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Chad Carter  
IUOE Local 234 (Blue Collar)

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Date

**Memorandum of Understanding**  
**City of Ames**  
**and**  
**International Union of Operating Engineers, Local 234**  
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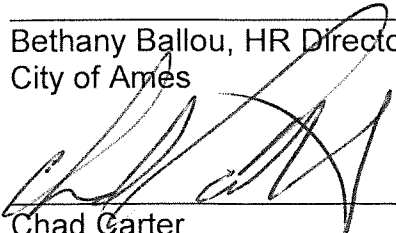
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Bethany Ballou, HR Director  
City of Ames

  
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IUOE Local 234 (Blue Collar)

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