

ITEM#: 12
DATE: 09-13-22

COUNCIL ACTION FORM

SUBJECT: MEMORANDUM OF UNDERSTANDING WITH IUOE LOCAL 234 FOR CYRIDE PART-TIME DRIVER AND LANE WORKER HOURLY WAGE 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 and lane worker wages are set and paid based on this contract.

Along with many businesses in Ames and around the country, CyRide has been having difficulty hiring and retaining an adequate number of part-time drivers and lane workers. Unfortunately, this shortfall is affecting CyRide's ability to operate the school year schedule. **With ridership slowly increasing back to normal levels, employee shortages have begun to affect service and will likely increase the number of buses running over capacity.** CyRide staff, with the approval of the Transit Board, has implemented a variety of creative strategies to attempt to fill vacant positions. However, hiring continues to remain lower than normal.

CyRide's schedule is considered filled when between 92% and 96% of shifts are assigned. **CyRide began the fall schedule with only 70.4% of shifts filled**, down from the previous year's 75.5% and a five-year average of 89.8%. Despite aggressive advertising of the driver position and a \$1,000 hiring bonus, hiring has not returned to pre-pandemic levels, and resignations have outnumbered new hires.

Hourly pay significantly affects CyRide's ability to attract and retain employees. CyRide's current part-time wage for new drivers and lane workers is \$17.51 an hour. While CyRide has traditionally enjoyed a competitive advantage in hourly pay for starting employees, other employers have caught up to the entry-level pay and have rates at or above \$15 an hour. Additionally, competition between employers looking for employees with commercial driver's licenses (CDLs) is fierce, with starting bonuses in the thousands of dollars.

CyRide has stringent hiring requirements above and beyond other CDL employers. Based on feedback from departing employees, current wages are a significant factor in some employees choosing to leave CyRide for other job opportunities. **It has become increasingly clear that, in the current economic climate, the pay rate for part-time drivers and lane workers is not high enough to attract and retain employees in these positions.**

To help incentivize applicants and keep current part-time employees, **CyRide staff recommends increasing the hourly wage at steps A, B, and C for part-time transit drivers and lane workers by 15% above the previously agreed-upon hourly wage rate, which will help attract additional applicants and reduce employee attrition. By advertising a starting wage above \$20 per hour, along with the other benefits CyRide offers, staff believes applicant flow will increase for these positions.**

A Memorandum of Understanding (MOU) to implement this wage increase has been prepared. 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 part-time driver and lane worker hourly wage compensation rates at its meeting on August 24, 2022.** If approved by the City Council, this change would be effective September 16, 2022. Wages for Transit Drivers would be subject to negotiation in 2024/25 as a new collective bargaining agreement is discussed between the City and IUOE.

ALTERNATIVES:

1. Approve the attached Memorandum of Understanding with the International Union of Operating Engineers Local 234, authorizing increasing the part-time transit driver and lane worker wages 15% above the previously agreed-upon hourly wage rate.
2. Do not approve the Memorandum of Understanding.

CITY MANAGER'S RECOMMENDED ACTION:

CyRide is experiencing a problem filling part-time positions. Offering a starting wage above \$20 per hour would help increase applications and encourage current employees to stay at CyRide.

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**

September 16, 2022

Addendum A of the July 1, 2022, through June 30, 2025, collective bargaining agreement between the parties contains the wage provisions through June 30, 2025. The current addendum, A, provides part-time transit drivers and lane workers to receive wages of \$17.51 per hour for step A, \$20.90 per hour for step B, and \$22.60 per hour for step C in 2022 through 2023.

The labor market for these two positions is highly competitive and CyRide has had difficulties hiring and retaining an adequate number of part-time employees to fill vacancies. To make these positions more appealing, the parties have agreed to increase step A, B, and C for part-time transit driver and lane worker wages 15% above the previously agreed upon hourly wage rate. These positions would then receive a 3.25% increase for FY 2024 and FY 2025 based on the new addendum A rates as indicated below in Addendums B and C.

This agreement does not affect wages of other classifications or other steps within the transit driver or lane worker classifications. Those wages will remain as previously agreed upon during contract negotiations. The changes are detailed below:

**ADDENDUM A
Effective September 16, 2022 – 6/30/2023**

	<u>HTE</u>	<u>CLASS CODE</u>	<u>TITLE</u>	<u>STEP A (START)</u>		<u>STEP B (18 MOS)</u>		<u>STEP C (48 MOS)</u>	
				<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>
Original	318	1311	Transit Driver (PT 20 hrs)*		17.51		20.90		22.60
Original	325	1323	Lane Worker	36,420.80	17.51	43,472.00	20.90	47,008.00	22.60
Amended	318	1311	Transit Driver (PT 20 hrs)*		20.14		24.04		25.99
Amended	325	1323	Lane Worker	41,891.20	20.14	50,003.20	24.04	54,059.20	25.99

**ADDENDUM B
Effective 7/1/2023 – 6/30/2024**

	<u>HTE</u>	<u>CLASS CODE</u>	<u>TITLE</u>	<u>STEP A (START)</u>		<u>STEP B (18 MOS)</u>		<u>STEP C (48 MOS)</u>	
				<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>
Original	318	1311	Transit Driver (PT 20 hrs)*		18.08		21.58		23.33
Original	325	1323	Lane Worker	37,606.40	18.08	44,886.40	21.58	48,526.40	23.33
Amended	318	1311	Transit Driver (PT 20 hrs)*		20.79		24.82		26.83
Amended	325	1323	Lane Worker	43,243.20	20.79	51,625.60	24.82	55,806.40	26.83

ADDENDUM C
7/1/24 – 6/30/2025

	<u>HTE</u>	<u>CLASS</u> <u>CODE</u>	<u>TITLE</u>	<u>STEP A (START)</u>		<u>STEP B (18 MOS)</u>		<u>STEP C (48 MOS)</u>	
				<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>	<u>Annual</u>	<u>Hourly</u>
Original	318	1311	Transit Driver (PT 20 hrs)*		18.67		22.28		24.09
Original	325	1323	Lane Worker	38,833.60	18.67	46,342.40	22.28	50,107.20	24.09
Amended	318	1311	Transit Driver (PT 20 hrs)*		21.47		25.63		27.70
Amended	325	1323	Lane Worker	44,657.60	21.47	53,310.40	25.63	57,616.00	27.70

*Transit Driver Trainees will be paid in accordance with Section 26.1. Time-in-grade credit for step advancement for part-time Transit Drivers and Lane Workers is to be based upon hours actually worked. A part-time employee advances to Step B at 3120 hours and Step C at 8320 hours.

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 September 16, 2022.

Bethany Ballou, Human Resources Director
City of Ames

Date

Chad Carter, IUOE Local 234 (Blue Collar)

Date