

## **Item 25-0485: Request the Approval of Side Letter Agreement with Teamsters Local Union #662**

**Human Resources Information Technology Committee**

Wed, May 14, 2025 6:30PM

**Alderpersion Sheri Hartzheim (District 13) 16:10**

Moving on to item number 25-0485, request the approval of side letter agreement with the Teamsters local union Number 662. Do I have a motion?

**Alderpersion Patrick Hayden (District 7) 16:21**

Move to approve.

**Alderpersion Sheri Hartzheim (District 13) 16:22**

We have a motion and...?

**Alderpersion Nate Wolff (District 12) 16:24**

Second.

**Alderpersion Sheri Hartzheim (District 13) 16:24**

And a second. Director Ratchman.

**Director Jay Ratchman (HR) 16:26**

Great. Thank you, Chair. So as outlined in the memo, this is a union position. The master mechanic is represented by Teamsters. We have a three-year contract that goes through the end of 2026. General Manager McDonald and I started approaching the union back in December, expressing concerns. Generally, when management comes forward with concerns, it's not about increasing wages; it's called holding wages down. In this case, we express a concern that the wages that we are paying our master mechanic are not keeping up with the market. The market has changed significantly, and that is one of the downsides to having a an agreement that's three years in term. This is not only with external data that we're looking at, but even internally. For example, we have a master mechanic position at DPW that pays over \$3 more per hour, and both are very complicated positions that require van scales.

**Director Jay Ratchman (HR) 16:35**

To put this in perspective, Valley Transit has four mechanic positions, three that can be either at the mechanic or master mechanic level, and one that is a lead position. So, when you're down one position for nearly 12 months, that is—that's a big deal. It's not like we have 15 staff.

**Director Jay Ratchman (HR) 17:47**

So, in looking at comparable data internally as well as externally, we'd like to do a few things. One, we'd like to raise the rate of the master mechanic. It doesn't mean that we're going to hire someone at that rate, but having the ability to be competitive and hire someone at that rate if they have the experience is something that we're seeking approval on. We'd also like to remove, as part of the side letter, the ASE certification. That is specific to transit. And the way you get to the higher rates of pay for the master mechanic is you have to have that transit mas—or, I'm sorry that transit ASE certification. Our general manager does not feel that that is a good indicator of someone's skills for transit. So, by removing that, that kind of removes a barrier for us hiring, because very few people are actually going to come in with that certification.

**Director Jay Ratchman (HR) 18:37**

In addition, we have a lead mechanic position, and for all intentional purposes, it's really a shop foreperson. So even though I've included the job description, for the most part, that's not new; it's what that position has grown to. So that position would pay \$3 above the master mechanic hourly rate of pay.

**Director Jay Ratchman (HR) 18:57**

So, we got the Union—It actually took quite a bit of work, which is why it took this long to get to committee—to agree to a side letter, which means it's really a temporary agreement to the contract. When the contract expires in 2026 which will be at the table next summer, then we'll be talking about wages in general for all positions and modifying the contract or getting approval for a new contract. So, I can tell you that this is necessary for transit to be necessary—or to be competitive. I'm also concerned about not only filling the one open master mechanic position, but I'm also concerned about retention of existing staff, because we have two staff members that would have options as well. So that's what this is all about.

**Alderpersion Sheri Hartzheim (District 13) 19:42**

Thank you. I wouldn't see the union saying no to something like this. So, what—can you explain more about what might have been the holdups in that regard? I mean, I'm sure that a change to a contract is never an easy thing.

**Director Jay Ratchman (HR) 19:55**

So, there was a few things. One, we wanted to redo the entire scale for the mechanics. They felt like that was better at the bargaining table. So, they were more comfortable just raising the top rate and then going back at overall rates when we get to the bargain. We also wanted to add language that the general manager has the ability to negotiate vacation. That's a really important tool. Police and Fire have it with their union contract. You only use it if someone has experience. We had a candidate who turned us down because we had no ability to negotiate vacation. So, 15 years' experience, you get to start it with five days. That's a tough recruit, right? That will come up at the bargaining table. That's not something the union was looking at doing as a side letter.

**Alderpersion Sheri Hartzheim (District 13) 20:40**

Okay. Thank you. Any questions? Any other questions? Alder Wolff.

**Alderpersion Nate Wolff (District 12) 20:44**

So, two questions, one on the overtime and the other on the max wage. So, are we potentially hurting ourselves by only capping it at \$35 an hour? And the second question is, are we looking to be able to negotiate the vacation time in the future?

**Director Jay Ratchman (HR) 21:04**

Yes. So, the maximum rate would be up to the \$35. Are we limiting ourselves? I think we're being very competitive with the market. So—

**Alderpersion Nate Wolff (District 12) 21:13**

You don't—by no means you don't think we're under, like under, asking us, for example, for that position, right?

**Director Jay Ratchman (HR) 21:20**

I do not. I feel like that's fair. In fact, full disclosure with the union we showed the DPW wages. We showed external data, and I feel like that's a fair wage for both parties.

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**Alderson Nate Wolff (District 12)** 21:30

Okay.

**Director Jay Ratchman (HR)** 21:31

In regards to having language that allows the general manager to negotiate vacation, that will be coming up at the bargain next year.

**Alderson Nate Wolff (District 12)** 21:38

Okay. Thank you.

**Alderson Sheri Hartzheim (District 13)** 21:40

Alder Hayden.

**Alderson Patrick Hayden (District 7)** 21:41

May I direct question to...?

**Alderson Sheri Hartzheim (District 13)** 21:43

You may.

**Alderson Patrick Hayden (District 7)** 21:44

Thank you. Regarding the certification, have you looked at alternatives to increasing pay, such as helping people get that ASE certification, or dropping that requirement and saying, we'll help you get these certifications, so it's kind of like, almost like an apprenticeship to help them go—turn this into a career that has legs where their pay comes later, but we're kind of giving them a leg up on the competition further on in their career. Have you looked at alternatives like that?

**Director Jay Ratchman (HR)** 22:14

So right now, the contract—Valley Transit is supportive of those who want to get the certification. How they move up by getting that certification, it's actually on the pay scale already. So that incentive's already there. The difficulty with that is to get to that higher rate of pay, they have to have the certification. The market is now saying "We will pay the higher wages without ASE certification." I believe once we redo the pay scale, ASE certification, if individuals are interested in there will be support for them to do so. If that helps.

**Alderson Patrick Hayden (District 7)** 22:50

That does. And are there different pay scales for the different levels of ASE certification? So, if they continue to advance in their knowledge around being a mechanic, are we compensating them and kind?

**Director Jay Ratchman (HR)** 23:06

So, to give you an example today, hopefully I can flip to that page quickly for you, we have the ability to hire mechanics, no certifications required. If they get certification, and they're just a mechanic, it's based on years of experience, they can add 10 cents to their base wage, hourly wage. Once they get to the master mechanic level, if they achieve four certifications, and there's eight in total, they go out higher in the pay scale. If they get eight, they go all the way to the top of the pay scale. But again, I think those are—that was really great to have. Unfortunately, with or without the certifications, the wages is something we'll have to address, but I believe we'll likely include, I don't know if it'll be an incentive as much as support for folks to get that education.

**Alderson Patrick Hayden (District 7)** 23:57

Excellent. Thank you.

**Aldersperson Sheri Hartzheim (District 13)** 23:59

Do you have any questions? All right, the other question I did have was, I'm seeing the estimated fiscal impact for this year. What effect will this have for the balance of this contract? Are we are we looking at any kind of substantial shortfalls in future year—well, in the future year '26 in regards to this?

**Director Jay Ratchman (HR)** 24:24

I believe no, and the only reason I'm saying that is Transit has reduced the number of drivers, and their goal still is to get back to that service level at some point. So, I'm not aware that they've reduced their budget. So—

**Aldersperson Sheri Hartzheim (District 13)** 24:40

So, we got a big, big pile of unfilled wages.

**Director Jay Ratchman (HR)** 24:45

We do.

**Aldersperson Sheri Hartzheim (District 13)** 24:45

All right, thank you. Any other questions from anybody? All right, there being none, all those in favor, please signify by saying aye. Aye. Opposed? And that passes four zero.