

First Transit Driver Wages Update

May 25, 2016

Management Committee

Metro Mobility Demand RFP Development August 2013

- Starting wages for public transit drivers range from \$10.75 to \$17.27
- Median starting wage was \$12.47
- RFP required a minimum driver starting wage of \$13.00 to promote equity region-wide and reduce the risk of hiring and retention issues

Subsequent trends:

- January 2014 state unemployment rate = 4.5%
November 2015 state unemployment rate = 3.5%
- Metro area driver shortage increased starting driver wages for employers competing with Metro Mobility
- Metro Mobility ridership continues to grow at about 8% over the previous year

Result:

- Difficulty in retaining/expanding driver pool to match increasing demand
- Decline in Metro Mobility service quality
 - on-time pick-ups
 - on-time for appointments
- Concern for well-being of current drivers

Contractor Recruiting:

- Hiring bonuses and employee referral fees
- Shift differential pay for undesirable shifts
- Extensive and creative advertising campaigns
- Dedicated local recruiter for Metro Mobility service
- “Now Hiring” bus advertisement

- Accept 2014 alternative price proposal - raises First Transit starting Metro Mobility Demand contract driver wage to \$14
- Metro Mobility Agency contract rates will increase by the same amount as Demand contract rates
- Fixed route driver wage increases will be paid by First Transit
- Adequate budget in 2016 to cover increase starting June 1
- Contract amendments within Regional Administrator's authority

- Conduct more detailed analysis in setting minimum wage requirement in RFPs
- Consider mechanism to mitigate unemployment rate fluctuation risk for contractors

Questions or Comments?