

# BOARD OF DIRECTORS REPORT

To: David A. Genova, General Manager and CEO

From: Heather McKillop, CFO/AGM, Finance & Administration

Date:

Subject: Board Paper on Mandating

Date: October 16, 2019

GM

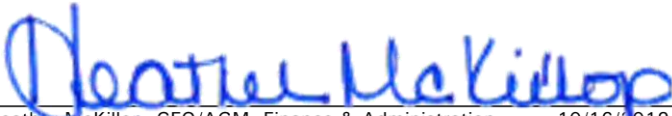
Board Meeting Date: October 22, 2019

**ATTACHMENTS:**

- Board Paper on Mandating (PDF)

Prepared by:  
Heather McKillop, CFO/AGM, Finance & Administration

Approved by:



Heather McKillop, CFO/AGM, Finance & Administration 10/16/2019

## Work Force and Operator Mandating

### Problem:

Due to labor shortages and issues with recruiting and retaining bus and light rail operators, the Regional Transportation District (RTD) is challenged to deliver its current and planned level of service.

### Issue:

Many bus and light rail operators have been required to work six (6) days per week every week for the last four (4) years. Working overtime without an option to refuse is referred to as being “mandated” to work. Mandated work is assigned based on seniority. The more seniority, the less likely it is that you will be mandated to work on your days off. The less seniority, the more likely it is that you will be required to work on your days off. Mandating begins with the lowest seniority employees until work is covered and then continues to return to the lowest seniority employee without going all the way to the top of the seniority list. This results in a cycle of the lowest seniority employees experiencing the most mandating, it is most challenging for new employees. Mandating is the single biggest factor affecting new employee retention. Even though mandating predominately impacts lower seniority employees, on many occasions we have had to mandate as high as number 1 on light rail on the seniority list and as high as number 3 in bus. The chart below represents the number of employees on a weekly basis that are mandated to work their days off. For example, so far in 2019 68.8% of bus operators and 41.7% of light rail operators have been mandated to work one of their days off each week.

Weekly Average					
	2015	2016	2017	2018	2019
Bus - FTEs Mandated	590	560	620	636	603
Total Bus Operators	847	909	849	855	876
% of Mandates vs FTE	69.7%	61.6%	73.0%	74.4%	68.8%
Light Rail - FTEs Mandated			71	78	67
Total LRT Operators	157	170	161	177	161
% of Mandates vs FTE			44.3%	44.2%	41.8%

### History:

RTD has always had some level of overtime required to operate our service. Overtime may consist of special services such as sporting events, community events, concerts, etc. Overtime was available to those that desired to work it, but was not routinely required. However, since 2016, RTD has opened five new rail lines and one bus rapid transit line. Between 2013 and 2019, RTD has added approximately 600,000 in-service hours or a 20%

increase over 2013. At the same time the economy started to rapidly improve and the Denver Metro's unemployment rate dropped from 6.1% in 2014 to 2.6% in September 2019<sup>1</sup> creating severe tightening in the availability of labor.

The labor market is tight everywhere and many professions including those that require a commercial driver's license have been deeply impacted. Here are some headlines:

- ATA: Trucking industry was short more than 60,000 drivers in meeting demand at the end of 2018<sup>2</sup>
- CDOT raises hourly rate for snowplow drivers; looking to hire more than 100<sup>3</sup>

Other industries are also feeling the pinch and labor shortages are affecting service.

- Labor shortage taking a toll on Denver restaurants<sup>4</sup>
- Behind Deadline: Home projects in Colorado suffer from worker shortage<sup>5</sup>
- Colorado construction industry finds no relief from labor shortages<sup>6</sup>

### Recruitment and Retention Efforts

In 2015, we formed the Recruitment and Retention Working Group which consisted of a cross section of employees that were organized to try to improve recruitment efforts as well as retention of existing employees. The following are some of the recommendations that came out of this effort and have been implemented:

- Recruitment
  - Advertising on buses
  - Advertising on all RTD fleet vehicles
  - Implemented signing bonus of \$2,000 for bus operators, light rail operators, and mechanics
  - Implemented referral bonus to \$1,000 for bus operators, light rail operators, and mechanics that are hired
  - Started accepting hand written applications.
  - Changed customer care "On hold" message to advertise that RTD is hiring bus and light rail operators.
  - Added hiring message on destination signs on buses
  - Implemented "One Stop Job Shop" hiring process for bus operators, light rail operators, and mechanics

<sup>1</sup> U.S. Bureau of Labor Statistics, Unemployment Rate in Denver-Aurora-Lakewood, CO (MSA) [DENV708URN], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DENV708URN>, October 9, 2019.

<sup>2</sup> Transport Topics, July 24, 2019, Eric Miller, Staff Reporter

<sup>3</sup> Fox 31 News, October 9, 2019, Christine Rapp

<sup>4</sup> CBS 4 Denver, September 18, 2018

<sup>5</sup> CBS 4 Denver, June 12, 2019, Karen Leigh

<sup>6</sup> Denver Post, August 28, 2019, Aldo Svaldi

- Bring in all applicants at one time
  - Conduct background check
  - Conduct drug screening
  - Present job offers
- Redirected WIN efforts internally for community based recruiting
  - In last nine (9) months, HR has attended 121 community outreach events
- Implemented new application process that is significantly more user friendly
- Expanded where we advertise positions
- Launched targeted marketing campaigns
- Retention
  - Increased shift differential pay
  - Implemented incentive pay of \$2.00/ hour for working split shifts
  - Increased professional development funds from \$1,500/ year to \$2,000/year
  - Increased bus and light rail operators pay by \$1/hour in July of 2017 in addition to the CBA increase of 3% that was implemented in March 2017

### Collective Bargaining Unit Negotiations

The issue of mandating employees to work on their days off was a central theme of the negotiations in 2017/2018. Also during this period, staff reported to the Board several times regarding labor, wages, economy, and service increases over time beginning with the 2001 recession that affected market conditions and workforce.

In order to improve working conditions and the ability to recruit and retain employees, the following improvements were made for represented employees:

- Increased starting base pay for operators to \$19.40/hour in 2018 (10% increase), \$19.98 in 2019, and \$20.58 in 2020
- Increased existing employee wages by 8% in 2018, 3% in 2019, and 3% in 2020
- Kept \$2/hour incentive pay for split shifts and \$2/ hour incentive pay for being mandated to work
- Daily assignments of Extra Board work cannot have a greater spread than 13 consecutive hours instead of 14 hours
- The minimum number of straight runs on weekdays shall not be less than 60% and 75% on the weekends, this reduced the number of split shifts by 5% on weekdays and 10% on weekends
- Day Board operators shall not be assigned work that gets off after 8:00pm to the extent practicable, and in no circumstances work that gets off after 8:30pm; and the Night Board operators shall not be assigned work that starts before 9:30am
- Allowed for more recovery time in service schedules for restroom usage

These changes did help with recruitment but many of the changes actually led to a higher number of operators required to be able to provide services for some of these provisions. The increased need for operators resulting from these changes only exacerbated the mandating issue.

In February 2018, Mike Meader, Chief Safety Officer, presented to the Board the issue of mandating and the toll it was taking on our employees. Each month, staff presents the amount of dropped runs that both bus and rail are experiencing as a result of the labor shortage. These things have not improved and in fact are getting worse.

Between January 2017 and September 2019, RTD has hired 791 bus operators and 177 train operators. For comparison, our total headcount needed for bus operators is 1,083 and train operators is 216. In the last 33 months, we have hired the employee equivalent of 73% of our entire bus operator workforce and 82% of our total train operator workforce. However, during this same 33 months, RTD has had over 710 bus operators and 201 train operators leave their positions. Although some are related to promotions or retirements, most are leaving for other reasons.

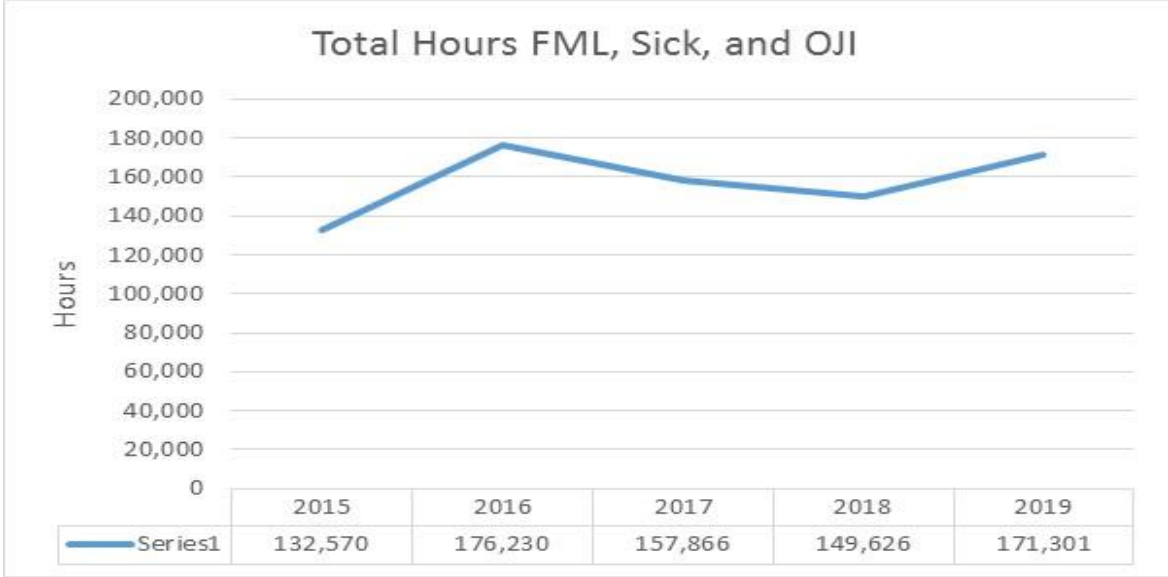
### **Current State**

In 2018, the Board adopted the 2019 General Manager's Core and Task goals. Task Goal #2 is "Address Service and Human Capital." One of the tasks under "Achieves Goal" is "incrementally optimize service through the runboard process to bring balance regarding service delivered and headcount available" and under "Exceeds Expectations" one of the tasks is "mandating reduced by 20% from 2018 levels."

### Employees

We are getting more and more requests from bus and light rail operators to, "please do something about the mandating situation." The excessive overtime is taking a toll on our employees.

We have seen a noticeable increase since 2015 regarding the number of operators on Family Medical Leave (FML), Sick Leave, or On the Job Injury (OJI) leave. See chart below.



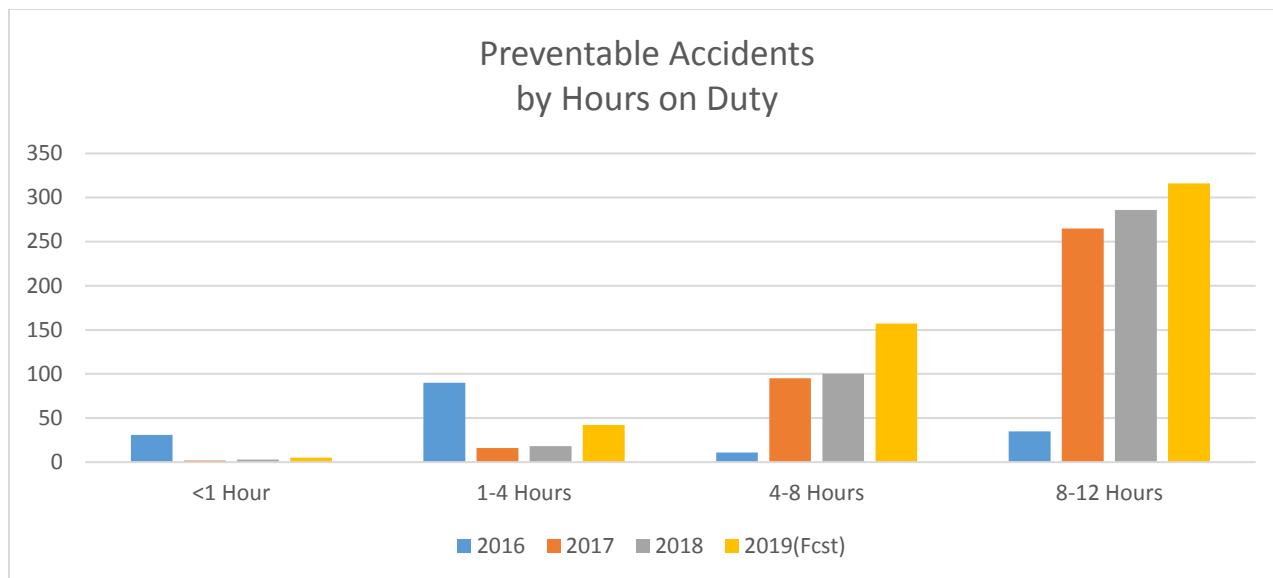
Through September, based on the trend to date, we estimate 171,301 hours related to FML, Sick, and OJI. 171,301 hours equates to 82 operators being out for a whole year.

In a National Safety Council report, transportation employees have the highest level of feeling tired at work (70%).<sup>7</sup> This same report identified nine risk factors: shift work, quick shift returns (less than 12 hours), long shifts (more than 10 hours), long weeks (50 hours or more), high risk hours (late night/ early morning), demanding job, no rest breaks during shift, sleep loss (less than 7 hours), long commute.<sup>8</sup> Of those nine risk factors, eight are applicable to what is occurring as a result of mandating our employees.

The following is a chart of RTD preventable accidents by hours on duty. You can see that the more hours an operator is on duty, the higher rate of preventable accidents.

<sup>7</sup> Fatigue in Safety-Critical Industries, National Safety Council, Final Report

<sup>8</sup> Fatigue in Safety-Critical Industries, National Safety Council, Final Report



In addition to safety concerns, operators report, that loss of time with family and missing planned events, such as doctor appointments and school activities are also impacting them. Mike Meader has been meeting with employees to discuss safety. Since 2018, he has talked directly to 386 bus operators, 92 rail operators, street supervisors and division management. Operators state mandating as their number one complaint and in asking how it has impacted them they said: tired/exhausted (78%), affected relationships at home (70%), health is worse (70%), schedules unrealistic (83%), schedules have impacted safe operations (80%), leadership is not engaged (70%).

RTD staff has been meeting with Union representatives on a regular basis to work on issues related to retaining employees and providing a better work environment. These issues include: availability of restrooms, handling of biohazard materials, handling conflicts with customers, safety concerns, and use of retired & part-time employees.

In addition, staff has been reaching out to peer agencies for their recruiting “best practices” to see if we can add them to our efforts. Most recently we talked to the Jacksonville Transit Authority. Based on those conversations, we have taken a number of steps:

- Recently upgraded our subscription with Indeed to enhance our search optimization so that we will show at the top of the search
- Increased our class sizes for both bus and light rail to accommodate more new hires
- Starting targeted outreach to the Nepali, Indian, Ethiopian, Sudanese, and Sikh communities in the metro area after focusing much of our targeting to the Hispanic community
- Improved our job descriptions to be conducive to social media postings
- Added a recruiter to specifically help with hiring bus and light rail operators

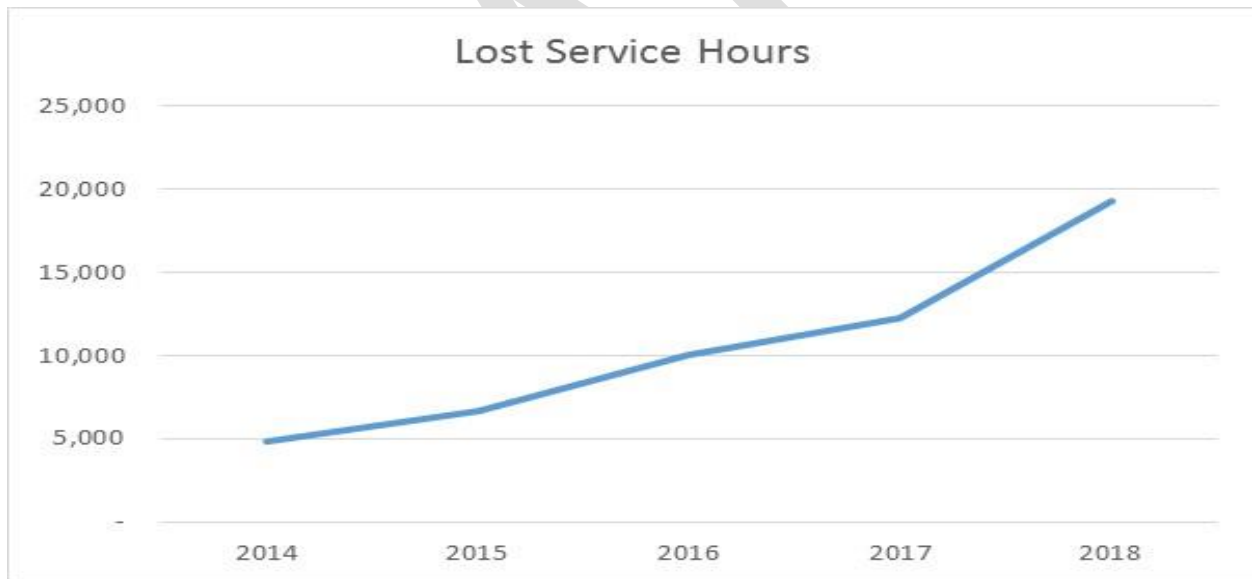
- Having discussions with a recruiting firm about providing us with temporary light rail, bus, and paratransit operators
- Trying to work through the issues that might be inconsistent with the CBA such as lodging, per diem, dues, etc.

Customer Impact

While we are providing a high level of service availability, we are seeing increased reductions in service or dropped service. Dropped service is service that was scheduled but not delivered.

Bus Service:

For 2014, service availability for bus was 99.80% only 4,831 hours of service were dropped during the entire year. The worst year was 2018, when service availability had dropped to 99.21% and 19,269 hours of service were dropped. In 2019 through September, we are at 99.54% service availability with 8,520 hours of service dropped.



Light Rail:

Dropped service is a more recent phenomenon on rail. Light rail has had to mandate much more infrequently until recently. When the Southeast Extension (E, F, and R Extension) opened in May 2019, we added 6,350 annualized hours of service. This required 20 additional light rail operators. In July, light rail dropped 27 hours of service or 26 trips. In August, this climbed to 285 hours or 296.5 trips.

Attachment: Board Paper on Mandating (3985 : Board Report on Mandating)



**Conclusion:**

The labor shortage has dramatically impacted our employees and our ability to deliver reliable service to our customers. This is eroding public confidence in our service. RTD has worked to significantly improve our recruitment efforts over the last three years. In addition, we have worked with the Union to improve overall working conditions and have increased operator pay to put them above market in the Denver Metro area. Even with all of these efforts, we are still having to mandate many of our employees on a regular basis 6 days a week every week. Even with the mandating, we are dropping service. Additional steps beyond recruitment and retention needs to be taken to be able to bring relief to our employees and bring service reliability to our customers.

**Next Steps:**

Staff will continue to look for new recruitment techniques and provide for increased training classes so all applicants can get into training as quickly as possible. In addition, staff is proposing curtailing a significant amount of service for a temporary period in order to bring our service in-line with the amount of operators we have available to run service without as much mandating. The proposed draft plan would reduce the need for 58 operators (bus and rail). These next steps wouldn't completely alleviate the need to mandate employees, but would reduce the needs for the same employees to work 6 days every week. In addition, this should significantly reduce any dropped service and provide more reliable service on the routes that RTD will be providing. On November 12<sup>th</sup>, the proposed draft plan will be presented to the Board at the Operations committee.