

AGENDA
SPECIAL MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL
515 CLARK AVENUE
JULY 2, 2018

CALL TO ORDER: 2:30 p.m.

1. Resolution approving a Memorandum of Understanding with the International Union of Operating Engineers (IUOE) that would allow a one-time hiring bonus for the CyRide Mechanic Assistant position

COUNCIL COMMENTS:

ADJOURNMENT:

COUNCIL ACTION FORM

SUBJECT: CYRIDE ASSISTANT MECHANIC WAGE PROPOSAL

BACKGROUND:

In the spring of 2017, CyRide had a long-term Mechanic retire. A CyRide Mechanic Assistant was promoted to this position on June 1, 2017, which left an opening for this assistant position. Since the Mechanic Assistant opening occurred, CyRide has had two failed recruitments, with very few applicants. Of the applicants applying for the position, only one individual had both the technical background and ability to pass the hiring test; however, this individual accepted a job offer in another company. As a result, CyRide/City of Ames staff will be opening a new Mechanic Assistant recruitment in the first part of July 2018.

In reviewing the reasons for the difficulty in finding a qualified individual for the position, CyRide reviewed the wages and hiring practices of its major competitors in this field. The results, compared to CyRide’s wages, are listed below.

Company	Starting Wage	Top Wage	Hiring Bonus
Trivista	\$19.00	\$30.41	\$0
CyRide	\$19.97	\$27.70	\$0
PDI	\$20.00	\$.25 raise every 6 mos.	\$0
AE Dairy	\$20.30	Unknown	Unknown
Iowa DOT	\$21.00	\$27.30	\$0
XPO Logistics	\$22.78	Unknown	\$2,000 hiring bonus + monthly bonus incentives
Waste Management	Unknown	Unknown	\$2,000
Ziegler CAT	Unknown	Unknown	\$1,000 Ft. Dodge location only
Sysco	Unknown	Unknown	\$4,500

As a result of this review, it was determined that CyRide’s wage range is fairly competitive; however, many of the firms are paying hiring bonuses to new employees in Mechanic-Mechanic Assistant positions. It is believed that this initial pay differential is negatively impacting the attractiveness of CyRide’s position. Additionally, with low unemployment, in an already tight labor market for this position, CyRide is not able to be competitive in this market.

To make this position more attractive, staff proposes a one-time trial for the next Mechanic Assistant recruitment in July 2018 to determine if this solution is effective in attracting additional, qualified mechanics. The recruitment would include a \$2,000 hiring bonus, payable in three installments as follows:

- $\frac{1}{4}$ (\$500) included on first paycheck
- $\frac{1}{4}$ (\$500) on the first paycheck after the employee has been in the position 6 months
- $\frac{1}{2}$ (\$1,000) on the first paycheck after the employee has been in the position for 18 months

This bonus would not extend to any other positions/classification in the City of Ames and IUOE Agreement dated July 1, 2016 – June 30, 2019 or future recruitments in the CyRide's Mechanic Assistant position.

In mid-June, this solution was presented to the International Union of Operating Engineers (IUOE), which represents CyRide's Mechanics. Their membership is supportive of this approach.

The \$2,000 cost of this bonus would be divided between the 2018-2019 and 2019-2020 budget years, with an estimated \$1,000 impact to each of these years. CyRide will be able to absorb this smaller unanticipated expense within its \$11 million dollar 2018-2019 budget and will budget this increase in its 2019-2020 budget, if approved by the City Council.

The Transit Board of Trustees approved the hiring bonus at their June 28, 2018 meeting. A memorandum of understanding with IUOE has been drafted and IUOE has approved it.

ALTERNATIVES:

1. Approve the one-time \$2,000 hiring bonus, payable in three installments, for the July 2018 Mechanic Assistant recruitment, and authorize approval of the Memorandum of Understanding.
2. Do not approve the one-time \$2,000 hiring bonus for the July 2018 Mechanic Assistant recruitment and direct staff to provide additional information or proposals for consideration.
3. Do not modify the Mechanic Assistant wages in the July 2018 recruitment.

MANAGER'S RECOMMENDED ACTION:

With two failed recruitments, leaving the division short-handed for more than one year, it is believed that this bonus will attract more qualified applicants to be considered for this position and allow CyRide's Maintenance Division to be fully staffed in its maintenance

functions. This will allow this division to operate efficiently and effectively during the 2018-2019 budget year and support the fall CyRide 2.0 service modifications.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the one-time \$2,000 hiring bonus, payable in three installments, for the July 2018 Mechanic Assistant recruitment, and authorize approval of the Memorandum of Understanding.

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

June ____, 2018

The City of Ames proposes a one-time hiring bonus for the following CyRide recruitment to be held during July-August 2018:

HTE	CLASS	CODE	TITLE
		323	1322
			Mechanic Assistant (CyRide)

The hiring bonus would be for a total of \$2,000, paid over an 18-month period as follows:

- ¼ (\$500) included on first paycheck
- ¼ (\$500) on the first paycheck after the employee has been in the position 6 months
- ½ (\$1,000) on the first paycheck after the employee has been in the position for 18 months

This agreement does not extend the bonus to other classifications or affect their wages. Their wages will remain as previously agreed upon during the course of contract negotiations.

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 July 1, 2019.

Bob Kindred, City of Ames

Date

Chad Carter, IUOE Local 234 (Blue Collar)

Date