

THIS PRINT COVERS CALENDAR ITEM NO.: 4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Human Resources

BRIEF DESCRIPTION:

Adopting and implementing a one-year Overhead Line (OHL) Recruitment and Retention Pilot Program (Pilot Program) of incentives – specifically referral bonuses, signing bonuses, and reimbursement of relocation expenses – for Classification 7235 Transit Power Line Supervisor; Classification 7310 Transit Power Cable Splicer; and Classification 7366 Transit Power Line Worker (collectively, OHL Classifications). The Pilot Program seeks to address significant recruitment and retention challenges and anticipated retirements in the OHL Classifications.

SUMMARY:

- San Francisco Charter Section 8A.104(k) and (n) provides that the San Francisco Municipal Transportation Agency (SFMTA) shall fix the wages, hours, working conditions, and benefits of its employees in service critical classifications after meeting and conferring with the employee organizations representing those employees.
- The SFMTA recognizes the challenge in effectively recruiting and retaining a sufficient number of employees in the OHL Classifications.
- The SFMTA recognizes the risk to SFMTA operations and services posed by anticipated retirements and other reasons for attrition within the pipeline of the OHL Classifications.
- The SFMTA seeks to establish the Pilot Program to strategically address the significant recruitment and retention issues by entering a Sideletter with the International Brotherhood of Electrical Workers, Local 6 (IBEW, Local 6), to establish the Pilot Program for one year, fiscal year (FY) 2021-22.
- The SFMTA publicly disclosed the Sideletter Regarding OHL Recruitment and Retention Pilot Program and all other required information in accordance with Charter Section 8A.104(r) at the duly noticed SFMTA Board meeting on June 15, 2021.

ENCLOSURE:

1. SFMTA Board Resolution

APPROVALS:

	DATE
DIRECTOR 	<u>June 24, 2021</u>
SECRETARY 	<u>June 24, 2021</u>

ASSIGNED SFMTAB CALENDAR DATE: June 30, 2021

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PURPOSE

Adopting and implementing a one-year OHL Recruitment and Retention Pilot Program of incentives – specifically referral bonuses, signing bonuses, and reimbursement of relocation expenses for OHL Classifications. The Pilot Program seeks to address significant recruitment and retention challenges and anticipated retirements in the OHL Classifications.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This Pilot Program addresses the following Strategic Plan Goals and Objectives:

Goal 1 – Create a safer transportation experience for everyone.

Goal 3 – Improve the quality of life and environment in San Francisco and the region.

Goal 4 – Create a workplace that delivers outstanding service.

Objective 4.1: Strengthen morale and wellness through enhanced employee engagement, support, and development.

Objective 4.5: Increase the efficiency and effectiveness of business processes and project delivery through the implementation of best practices.

This item does not directly address any of the Transit First Policy Principles but supports all of them.

DESCRIPTION

IBEW, Local 6 represents approximately 500 to 600 employees in 24 job classes. The proposed Pilot Program is limited to a subset of represented classifications that the SFMTA has had challenges effectively recruiting and retaining. For example, for the applicable subset of classifications, data from the last full fiscal year, FY 2019-20 shows vacancy rates that are significantly higher than the SFMTA agency-wide average of 13% for the same period.

- 7235 Transit Power Line Supervisor vacancy rate of 45%
- 7310 Transit Power Cable Splicer vacancy rate of 67%
- 7366 Transit Power Line Worker vacancy rate of 44%

The SFMTA recognizes the risk to its operations and services posed by anticipated retirements and other reasons for attrition in these OHL Classifications. Additionally, the SFMTA must compete for employees with these OHL skills against industry peers such as Pacific Gas and Electric Company, among others. The SFMTA is therefore interested in establishing initiatives to strategically address the significant recruitment and retention issues within these OHL Classifications.

The Pilot Program shall take effect on July 1, 2021 and continue for one fiscal year to June 30, 2022. Absent mutual written agreement approved by the SFMTA Board of Directors to extend the Pilot Program or incorporate the terms of the Pilot Program into the next amended or successor memorandum of understanding (MOU) with IBEW, Local 6, the Pilot Program under this Agreement shall end on June 30, 2022.

The following table provides a summary of Pilot Program elements and a high-level description. For full terms see *Sideletter Between the International Brotherhood of Electrical Workers, Local 6 and the San Francisco Municipal Transportation Agency Regarding OHL Recruitment and Retention Pilot Program* (https://www.sfmta.com/sites/default/files/reports-and-documents/2021/06/ibew_local_6-sfmta_ohl_side_letter_adtl_compensation_-_final_06.15.21.pdf).

Program Element	Description
Referral Bonus	<p>An active SFMTA employee in one of the OHL Classifications who refers a new applicant for an OHL Classification (including 7235,7310,7366 only) is eligible to receive a Referral Bonus.</p> <p>The Referral Bonus shall be in the amount of \$2,500, with \$1,250 payable to the referring employee upon the referred new applicant’s successful appointment to SFMTA in an OHL Classification, and with an additional \$1,250 payable upon the new applicant’s successful completion of 1,040 regularly scheduled hours worked, including legal holiday pay (LHP).</p>
Signing Bonus	<p>Newly hired employees, appointed full-time (2,080 hours annually) into an OHL Classification, shall receive a one-time Signing Bonus of \$20,000 in exchange for signing a Repayment Agreement that requires either Qualifying Service or repayment of the Signing Bonus.</p>
Relocation Reimbursement	<p>Candidates who live over 100 miles outside of the geographic boundaries of the City and County of San Francisco and who relocate in connection with an appointment to an OHL Classification are eligible for reimbursement of eligible relocation expenses up to \$20,000 in exchange for signing a Repayment Agreement that requires either Qualifying Service or repayment of the Relocation Reimbursement.</p>

STAKEHOLDER ENGAGEMENT

The SFMTA engaged in good faith discussions with IBEW Local 6 regarding the Pilot Program and reached mutual agreement on the terms of the Pilot Program.

ALTERNATIVES CONSIDERED

The SFMTA considered different levels of bonuses and reimbursement for the Pilot Program elements and compared amounts to industry standards; the Agency also considered changes to job classification wage structures. The SFMTA compared these alternatives to the current proposal and determined that the current proposal is the optimal and most cost-effective approach to strategically address the significant recruitment and retention and anticipated retirement issues within the applicable classifications.

FUNDING IMPACT

If the Pilot Program attracts employees to the OHL Classifications and reduces vacancies by half in FY 2021-22, and if by filling vacancies the SFMTA can reduce current levels of overtime, then the SFMTA estimates the following range of costs or savings to the Agency:

- In FY 2021-22, from \$89,500 in total additional cost to \$226,500 in total savings, with low additional cost and potential savings driven by an assumed 10-to-30% reduction in overtime pay compared to current levels.
- Relocation Reimbursement: Projected additional cost of \$30,000 to \$60,000. A sample of current employees in comparable classes shows that 1% of employees currently live greater than 100 miles from San Francisco, and reimbursement of relocation expenses is available only if a candidate relocates from over 100 miles outside San Francisco.
- Signing Bonus: Projected additional cost of \$220,000.
- Referral Bonus: Projected additional cost of \$12,500. Industry benchmarks show that employee referrals account for 30% of hires.

Pilot Program Financial Impact Summary

Program Element	Low Estimate (Cost)/Savings	High Estimate (Cost)/Savings
Signing Bonus	(220,000)	(220,000)
Relocation Reimbursement	(30,000)	(60,000)
Referral Bonus	(12,500)	(12,500)
Subtotal Program Costs	(262,500)	(292,500)
Overtime Pay Reduction Offset	173,000	519,000
Total Projected (Cost)/Savings	\$ (89,500)	\$ 226,500

The following unknown variables could increase the currently projected costs of the Pilot Program:

- High turnover rate; and
- Lack of overtime reductions.

ENVIRONMENTAL REVIEW

On June 23, 2021, the SFMTA, under authority delegated by the Planning Department, determined that the Sideletter approval establishing the proposed one-year Pilot Program is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

No additional approvals required. The City Attorney has reviewed this calendar item.

RECOMMENDATION

The SFMTA recommends adopting and implementing a one-year OHL Recruitment and Retention Pilot Program of incentives – specifically referral bonuses, signing bonuses, and reimbursement of relocation expenses for OHL Classifications. The Pilot Program seeks to address significant recruitment and retention challenges and anticipated retirements in the OHL Classifications.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Under Section 8A.104 of the Charter, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors succeeded to the powers of the Mayor, City Human Resources Director, and the Board of Supervisors with respect to collective bargaining for employees in service critical classifications; and,

WHEREAS, The SFMTA recognizes the challenge in effectively recruiting and retaining a sufficient number of employees in the following service critical classifications: 7235 Transit Power Line Supervisor; 7310 Transit Power Cable Splicer; and 7366 Transit Power Line Worker (collectively, Overhead Line Classifications); and,

WHEREAS, The International Brotherhood of Electrical Workers, Local 6 (Union) and the SFMTA recognize the risk to SFMTA operations and services posed by anticipated retirements and other reasons for attrition within the pipeline of the Overhead Line Classifications; and,

WHEREAS, The SFMTA seeks to establish initiatives to strategically address the significant recruitment and retention issues within the Overhead Line Classifications; and,

WHEREAS, The Union and the SFMTA enter into an Agreement to implement an Overhead Line Recruitment and Retention Pilot Program (Pilot Program) for the Overhead Line Classifications, based on the terms defined in the *Sideletter Between the International Brotherhood of Electrical Workers, Local 6 and the San Francisco Municipal Transportation Agency Regarding OHL Recruitment and Retention Pilot Program* (Sideletter); and,

WHEREAS, The SFMTA publicly disclosed the Sideletter regarding the Pilot Program and all other required information in accordance with Charter Section 8A.104(r) at the duly noticed SFMTA Board meeting on June 15, 2021; and,

WHEREAS, On June 23, 2021, the SFMTA, under authority delegated by the Planning Department, determined that the MOU with SEIU Local 1021 is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now, therefore be it

RESOLVED, the SFMTA Board of Directors agrees to implement the Pilot Program for the Overhead Line Classifications, based on the terms defined in the Sideletter, for the term July 1, 2021 to June 30, 2022; and,

RESOLVED, That the SFMTA Board of Directors does hereby adopt and implement the Sideletter Between the Union and the SFMTA.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 30, 2021.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency