

March 23, 2017

To: ABAG Administrative Committee and MTC Planning Committee

From: MTC Committee for Staff Representation

Dear ABAG Administrative Committee and MTC Planning Committee Members:

On behalf of the represented employees of the Metropolitan Transportation Commission (MTC), the Committee for Staff Representation (CSR) would like to provide the following input on the parity issues and pension liability concerns raised by representatives of the ABAG Chapter of the Service Employees International Union (SEIU) Local 1021 at the March 16, 2017 ABAG Executive Board meeting.

The issue of parity and pension liability are extremely important to the 185 CSR-represented and Confidential staff of MTC who are covered by MTC Resolution 4153, Revised, the current CSR negotiated Memorandum of Understanding (MOU) between employees and MTC management. As SEIU Local 1021 has not shared their parity or pension liability concerns in writing with CSR our understanding of the issues raised by SEIU Local 1021 is as follows:

- Direct MTC to assume ultimate financial responsibility for any outstanding unfunded liabilities of ABAG's CalPERS pension plans.
- Ensure parity between MTC and ABAG staff during transition of ABAG staff to MTC
 - Parity within each classification via the salary step process
 - Parity within each classification relating to ABAG top-of-range staff
 - Parity with MTC Associates review to VIIIB, requesting analysis of the remaining top-of-range ABAG staff to determine if they warrant a bump to a higher MTC grade

CSR would like to address SEIU Local 1021's concerns one-by-one.

1. On the topic of MTC taking on ABAG's pension liability should their membership dues and other revenues fall short to cover expenses: Although we empathize with the ABAG retirees, CSR would like to express deep concerns about this potential negative impact to past, present and future MTC employees and MTC's future financial health given the additional burden and risks. We greatly appreciated the comments on this topic by ABAG Executive Board Member/MTC Commissioner Dave Cortese at the March 16, 2017 ABAG Executive Board meeting and support the views expressed in his remarks during Agenda Item 11.
2. Parity within each classification via the salary step process: As was discussed at the March 15, 2017 Employee Relations Group (ERG) meeting between SEIU Local 1021, CSR, and MTC and ABAG management staff the issue of steps within a classification does not represent seniority or career progression at MTC. In addition, the salary steps at MTC are structured differently than at ABAG, as MTC has many more steps (11 steps) within each grade than ABAG does (five steps, except for P4 which has seven steps). With the assurance that ABAG staff will not be financially harmed in this transition, we understand that many ABAG staff members will actually be benefiting significantly. We do not agree with inflating

transitioning ABAG employees steps based on the presumption that a grade step represents career progression. Once a grade for a particular staff has been determined based on job function and experience, a staff member should be slotted into the appropriate grade and step based on the Employee Transition Plan and the 7% increase criteria outlined on page 1 in the Plan (Exhibit B).

3. Parity within each classification relating to top-of-range staff: CSR and SEIU represented staff have worked diligently with MTC and ABAG management staff to develop a strong evaluation process for determining the classification for each ABAG staff member as they transition into MTC. This is based on an ABAG staff member's current classification and years of service; for ABAG P4 staff, it is based on MTC job function (supervision) as they transition into Grade VIIIB or IX. We agree with these criteria, and we believe strongly that they should be followed when categorizing ABAG staff into positions at MTC. Our represented staff feel very strongly that deviating from the above criteria with respect to the placement of transitioning staff would introduce significant inequities between transitioning staff and existing MTC staff, which can hamper the successful integration of the employees.
4. Parity with MTC Associates review to Grade VIIIB, requesting analysis of the remaining top-of-range ABAG staff to determine if they warrant a bump to a higher MTC grade: This is the issue in which we feel most strongly. As many of you know from our previous statements to the Joint Committee, when CSR discovered that the original Koff & Associates classification transition study had been amended to include an audit of many ABAG staff members, which resulted in an inflation of the grades for ABAG staff as they transitioned to MTC, CSR requested the same consideration for MTC staff. In response, the MTC Commission on March 22, 2017 approved the creation of the Senior Grade VIIIB job classification category, with the promise to immediately evaluate all current Associate Grade VIII staff to determine if they qualify for Grade VIIIB, just as MTC and ABAG management had already done for ABAG staff. The creation of Grade VIIIB step IS parity for MTC staff. To evaluate ABAG staff again would require additional analysis for ABAG staff, which would once again provide transitioning ABAG staff with further consideration. At a minimum, CSR feels very strongly that this step should wait until the completion of the organization study as the remainder of MTC staff is required to wait as well. Again, CSR feels that ABAG staff should be placed into classifications based on the MTC and ABAG management proposed criteria outlined above (in #2).

Per the Contract for Services §6.2 Changes in Employment Status. "During the first fiscal year after the Effective Date, prior to making any employment change (including but not limited to termination, reassignment, or promotion) with respect to any Transitioned Employee, MTC will provide the ABAG Executive Board with 30 days prior written notice of the intended change before any action is taken. No Transitioned Employee may be terminated, reassigned, or promoted during such period without prior written notice to the ABAG Executive Board and the affected LCP, if applicable." This subsection effectively

clarifies that transitioning staff will continue their current roles and responsibilities after transition.

Thank you again for your work on these tough issues. We appreciate the ABAG Executive Board and MTC Commission's thoughtfulness and willingness to engage in fair and equitable solutions for all staff.

CSR has invited transitioning staff to sit on the Organization Study Steering Committee in advance of the transition and looks forward to welcoming and including representatives from transitioning staff on the CSR Board effective July 1, 2017 as we join together to better serve the people of the Bay Area.

2017 Committee for Staff Representation Board



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Chair



Adam Crenshaw
Vice Chair



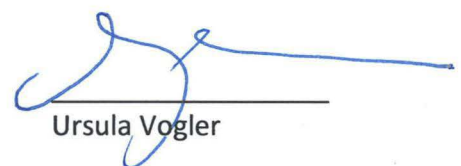
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