

DISSENT

**ON THE ARBITRATION AWARD
CONCERNING
THE COMPENSATION PACKAGE**

**Transport Workers Union, Local 200
And
Municipal Transportation Agency
June 1, 2005**

I, Glenda Lavigne (Panel Member on behalf of TWU Local 200) dissent for the following reasons:

1. The arbitrator has found that the Union's final offer prevails with respect to the Charter's CPI standard. I agree.
2. The arbitrator has found that that on the basis of relevant external comparability data, the Union's offer prevails. I agree.
3. However, the arbitrator has found that internal comparability data "strongly favors the Agency's compensation final offer." I strongly disagree for these reasons:
 - The arbitrator found that the "Agency's percentage differential between transit supervisors and transit operators is less than that percentage among *all other comparable California transit employers*".
 - *The arbitrator also found that the MTA offer would result in a further compaction of the differential between supervisor and operator wage rates from 31% to 19%.*
 - The arbitrator then dismisses the relevance of these finding, because the operator's wages are driven by a separate Charter section and, thus, the Agency has no control over the level of operator wages. However, if the arbitrator found, as he did as set out in 2. above, that the absolute level

of supervisor wages when compared to other relevant agency supervisors wage rates supports the Union's compensation package, and if the arbitrator found that the wage differential of MTA supervisors versus operators is the lowest among all other comparable California transit employers, as he did, *what relevance is there to the fact that MTA operator wage rates are arrived at differently from MTA supervisor wage rates?*

- Were MTA supervisory wage rates artificially inflated by Charter driven operator wage rates, one might understand the arbitrator's point, but the arbitrator found, supervisor wage rates are not inflated in comparison to prevailing rates at other transit agencies.
- Because of that fact, there is simply no reason for the arbitrator to discard the important consideration of the internal compaction of MTA supervisor/ operator wage rates that result from the MTA offer.
- Clearly, both factors, MTA supervisor wage rates as compared to other agency supervisor wage rates and compaction of the rate differentials between supervisors and the operators they supervise within MTA, itself, strongly support the Union's compensation offer.
- The arbitrator's disregard of compaction as an argument, solely because operator wage rates are Charter driven, without more, could lead logically to the nonsensical conclusion that supervisory wage rates could be set BELOW operator wage rates. By virtue of this decision, they are, in fact, headed in that direction.
- In addition to refusing to consider operator wage and benefits, the arbitrator then finds, in his analysis of internal comparability, that the Union's offer involves "higher percentage wage increases or costs" than other city or MTA wage settlements thus far.
- This is simply not true. Recognizing the chronic understaffing in the unit, the Union's offer simply and appropriately varies from other settlements by eliminating the additional holidays, which, as a cost (determined by the City Controller) are equal to 1.9% (and if backfilled at overtime, 2.58%) of payroll, and substitutes for the holidays an additional 2% in wages. The other increases to the July 2002 wage rate are more than offset by the 5% employee member retirement contribution give-back in the Union's offer.

Therefore, it is difficult to comprehend how the wage offer of MTA, which actually reduces supervisor pay BELOW the 2004-05 level, exacerbates the need for overtime, and causes further compaction in supervisor/operator wage differentials

can lead the arbitrator to conclude that the “sub-element of internal comparability criterion strongly favors the Agency’s compensation final offer.”

4. With respect to other Charter Criteria involving budgetary matters, the arbitrator has clearly missed the mark. Both the Union and the MTA compensation proposals reduce MTA initially budgeted expenditures for the Unit--- the Union’s by between \$900,000 and \$1.4 M. The MTA offer actually reduces 2005-06 budgeted expenditures below 2004-05 levels. It is inconceivable to me how the interests of riders are served by pushing supervisor pay backwards and by taking even more productive time out of the unit by adding another 5 holidays to the 16 holidays that are guaranteed to unit employees.
5. Finally, the arbitrator places excessive weight on the budgetary condition of the City as opposed to MTA. He fails to grasp that the only relevance of the City to MTA’s financial well being is whether MTA’s Charter mandated share of General Fund Revenues is rising or falling. Whether supervisors pay goes up or down will have no effect upon the City’s ability to provide services that are within the City’s jurisdiction to fund (e.g. libraries, health care, etc. to which the arbitrator alludes in his decision). With respect to revenues to support the MTA’s budget, MTA’s General fund allocation has increased and appears to be further on the rise. Other than what happens to the City’s General Fund revenue stream, the City budget simply has no bearing on the Charter criteria applicable to MTA regarding the setting of MTA employee wage rates.
6. Moreover, MTA decisions to raise fares and reduce service were finalized well before the current MTA offer to its supervisors was made, and MTA contemplated more budgetary expenditures (the 7.5% retirement contribution pick up) than are called for by the Union offer. Far from being detrimental to the service goals of MTA, the Union offer actually promotes those goals by reducing bargaining unit costs below initial budget estimates and, unlike the MTA offer, maintains budgetary predictions of bargaining unit productivity by not unnecessarily depleting productive unit work time with additional holidays that will have to be backfilled at overtime rates.

In sum, the arbitrator’s failure to recognize the MTA’s separate existence and mission from the City’s; his disregard of or misanalysis of relevant internal comparability factors, and his failure to candidly acknowledge that the waste of available budget on additional holidays as opposed to applying available budget to wages, warranted by any comparability comparison and which help to maintain proper internal wage differentials, serves no interest contemplated by Proposition E, but, rather, serves only the political interest of MTA management vis-à-vis the public. In short, the decision is a minor disaster for our members, the MTA and the public that is supposed to be served by the MTA.

Our members are the uniformed supervisors and managers who are responsible for the daily operation of a heavily-used and complex bus, trolley bus, light rail, subway, historic rail and cable car transit system. In turn, they have been awarded a wage and benefit package that places them at the bottom rung of Transit Supervisor compensation at the nine major California transit agencies that were stipulated as comparables by all parties during the course of this arbitration. The financial burden of the Arbitrator's questionable award falls immediately to our members. Long-term this award unfortunately works to the detriment of San Franciscans and their transit agency.

This is "no way to run a railroad."

Glenda F. Lavigne, President
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June 1, 2005