

Labor Relations

Three years in the life of a CEO and a transit union

Peter J Varga
The Rapid, CEO
Grand Rapids, Michigan



Transit CEOs Seminar

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- The Rapid and the union started negotiations in December, 2014 six months before the expiration of the contract.
- In those six months, 13 bargaining sessions and 20 tentative agreements later. Still no contract.
- Fact finding completed 4 days before expiration.

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- May 2015 Union suddenly appoints new attorney 3 days before fact finding hearing.
- Fact finding. Union legal counsel does not show, Union leaders present but refuse to answer questions or provide information.
- June 2015 Fact Finder report is released.
- Rapid agrees to report but Union does not.

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Major Issues Leading to Impasse -

1. Rapid presents proposals to close defined benefit plan. ATU international vows never to relent and instructs locals to keep the current plan and invests money and time.
2. Rapid seeks to eliminate daily overtime.

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Other Issues -

1. Leafletting at Rapid Central Station
2. Judge issues injunction allowing protests at station
3. Judge issues second injunction allowing protest in front of residences and businesses of board members.
4. Bad press.

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- In August 2015 mediation sessions produce no agreement. No contract extension requested.
- In September 2015 The Rapid conducts 11 informational meetings highlighting the written proposals for both sides and the Fact Finder's Report.
- In the following 13 months, 9 mediation hearings and two ULPs filed. No progress.

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- The two ULP decisions confirmed that both sides bargained in good faith. One ordered employer not to interfere with protests.
- In April 2017 union submits a proposal on defined contribution plan via email outside of negotiation process.
- One more mediation session and marathon bargaining session finally result in a tentative contract agreement.

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- ATU Union ratification vote fails 32-20.
(Local represents over 300 employees.)
- Union continues to believe they should hold out for labor effort to defeat transit millage.
- Three more mediation sessions.
- We pass 12 year millage renewal with 61.3% vote, despite union opposition.

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- One more mediation session in November 2017 almost three years after beginning bargaining - a second tentative agreement.
- Union ratifies and board approves contract.
- Labor dispute ends after three years to the day!

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- In the end, Union ends up agreeing to freezing defined benefit plan and agreeing to defined contribution plan.
- We get language on overtime use.
- Meanwhile union employees did not get salary increases for 2 ½ years and had to pay for increased health costs and no retro pay.

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- During these two and half years, Union protests occurred at various board members' residences and Central Station.
- CEO vilified in various ways with leaflets, banners, in social media, in full page press ads. We have to take it all.

Labor Relations The Story



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WHAT PEOPLE GET PAID

PRESIDENT BARACK OBAMA \$400,000 PER YEAR Leader of Free World	VICE PRESIDENT JOE BIDEN \$275,000 PER YEAR Next in line for Presidency	ADMINISTRATOR OF NASA \$168,000 PER YEAR Runs interplanetary transit system
CITY OF GRAND RAPIDS MAYOR \$53,700 PER YEAR Presides over the city of Grand Rapids	PETER VARGA \$190,000 PER YEAR Runs the whole city of Grand Rapids	GRAND RAPIDS CITY MANAGER \$154,213 PER YEAR Runs the whole city of Grand Rapids
GRAND RAPIDS CITY ATTORNEY \$173,903 PER YEAR City of Grand Rapids Top Lawyer	GRAND RAPIDS POLICE CHIEF \$123,000 PER YEAR Protects the city of Grand Rapids	
GRAND RAPIDS CITY CLERK \$106,671 PER YEAR City of Grand Rapids Official Record Keeper	GRAND RAPIDS CITY TREASURER \$68,834 PER YEAR In charge of the city of Grand Rapids finances	GRAND RAPIDS CITY COMPTROLLER \$54,264 PER YEAR In charge of the city of Grand Rapids budgets and finances

WHAT PETER VARGA TAKES

The Rapid CEO Peter Varga is paid nearly \$200,000 per year, and that doesn't even include perks like his lacquered limo. Meanwhile, 26% of Grand Rapids residents live below the poverty line and middle class workers like the bus drivers at The Rapid struggle to hold on to the American Dream. Now, Varga is proposing to raise fares on riders and to eliminate the retirement security of Rapid workers.


TELL OUR PUBLIC OFFICIALS TO PUT AN END TO THIS.

Call Mayor George Heartwell 616-456-3188 Call Rapid CEO Peter Varga 616-456-7514 Call Rapid Board Chair Bob Hult 616-456-7514

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5025 Wisconsin Avenue, NW, Washington DC 20016

'LET'S CALL IT WHAT IT IS: ROBBERY,' SAYS GRAND RAPIDS LOCAL PRESIDENT



"Let's call it what it is: *robbery*." That's how Local President RiChard Jackson, 836-Grand Rapids, MI, describes what's going down at The Rapid where fares have just gone up, its CEO just got a \$4,000 raise, and the transit system is trying to steal their pensions in current contract negotiations.

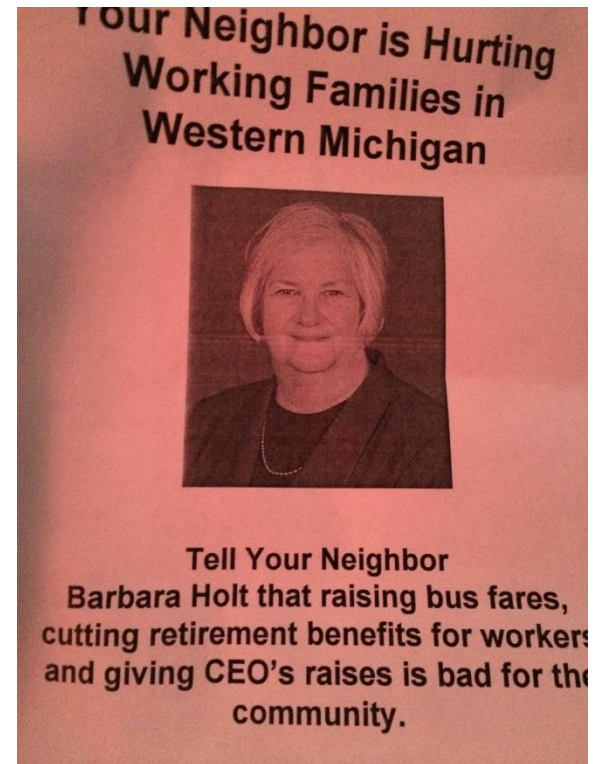
Restraining order

Earlier, the local secured a temporary restraining order against The Rapid, which was attempting to stop members from distributing ATU literature at Rapid bus stations.

In their lawsuit the Local complained that Rapid management violated members' right to free speech

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We regret to announce that after years of class warfare against workers, the rich and powerful of Grand Rapids have killed the middle class. We will be holding a funeral for our destroyed economic status.

Despite attempts to heal the middle class with big CEO raises and recreational distractions, the middle class was killed by repeated acts of pension theft, under exposure to well paying jobs, and the trauma of being over-charged to ride the bus.

— MOURN WITH US —

1:00 p.m. Saturday, September 26

Rosa Parks Circle, 135 Monroe Center St NW

Take the bus or meet at 918 Benjamin Ave. NE at 12:15 p.m. to carpool.

 Like Us facebook.com/ATUGR  Follow Us [@atugr](https://twitter.com/atugr)  Visit: www.atu.org

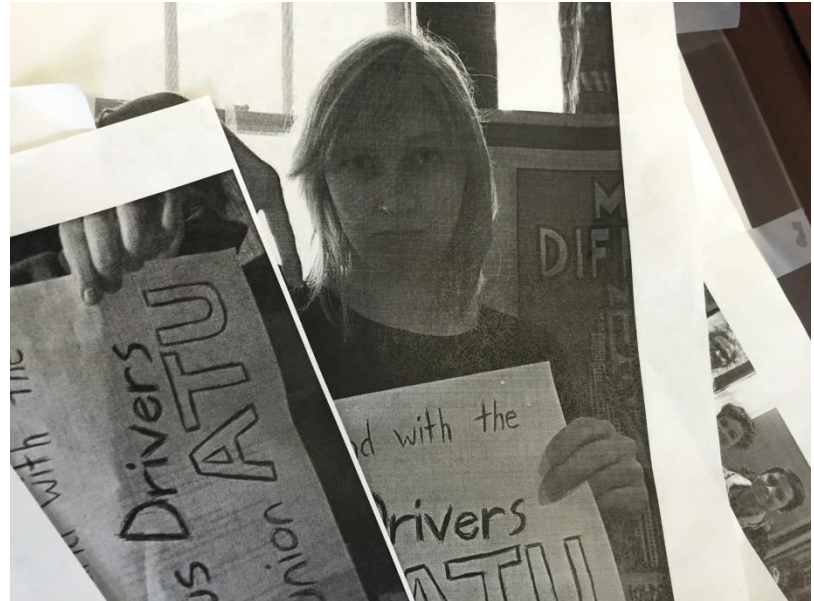
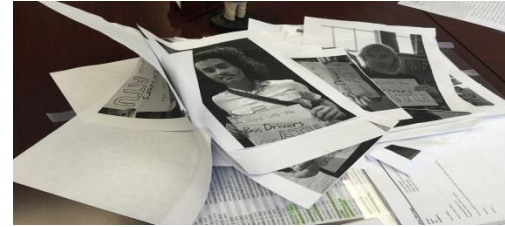
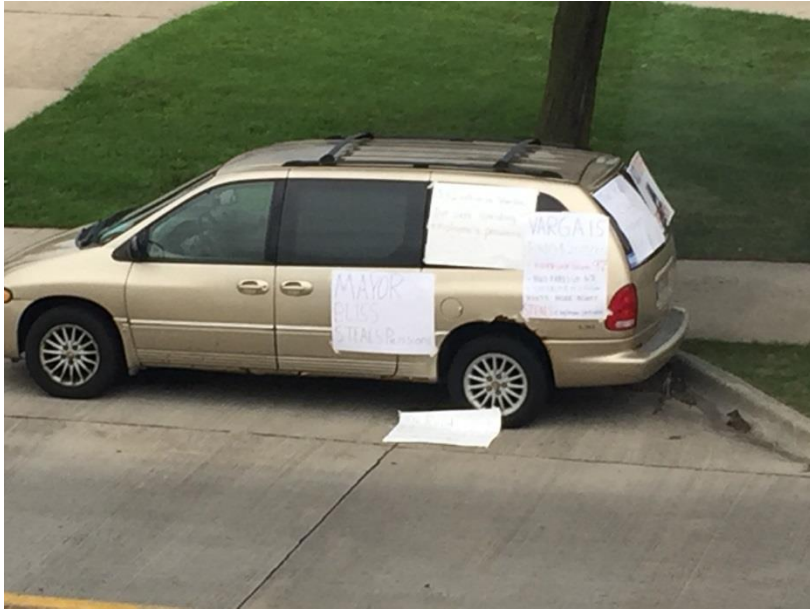
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10 GRAND RAPIDS BUSINESS JOURNAL DECEMBER 26, 2017

Rapid, transit union agree to three-year contract

Pact includes raises and establishes a new defined contribution retirement plan.

Ehren Wynder
Grand Rapids Business Journal

The Interurban Transit Partnership Board reached an agreement on a new three-year contract with the labor union representing the public transportation system's bus operators and maintenance workers.

"I'm really pleased that both the union and the board have ratified the contract. All along, we want to help our employees. They're really hard workers, and we want to provide them with payment and health care compensation."

PETER VARGA

The Rapid Board of Directors ratified the agreement during its monthly meeting. That ratification followed the acceptance of the proposed agreement by voting members of the Amalgamated Transit Union Local 836, the union representing Rapid employees, on Dec. 7.

"We have worked hard to craft a contract that is beneficial to our employees, maintains an outstand-

ing level of service to our customers and continues The Rapid's legacy of responsible fiscal stewardship," said Peter Varga, CEO of The Rapid.

The contract includes a 3 percent pay raise for all bus operators and a 3.5 percent raise for all maintenance employees in the first year of the agreement. Both groups will receive annual increases of 2 percent in the following two years of the contract. The Rapid also will pay 80 percent of all health insurance premiums for union workers and will establish a new defined contribution retirement plan. The retirement plan will replace the existing pension plan and will establish a sustainable fiscal approach for the workers' retirement fund and the transit organization.

The previous labor agreement expired in July 2015, at which point, workers were not able to receive wage increases or be compensated for increases in health care costs.

The 2½ years between the expiration of the old agreement and the finalization of the new agreement were spent on negotiations between the board and ATUGR. The two parties met periodically since December 2014 on a new agreement, and a tentative deal was made at the end of November.

One of the objects of negotiation was changing the agreement's defined benefit retirement plan to a defined contribution retirement plan.

"The board wanted to change the defined benefit plan to a defined contribution plan because the defined benefit plan was creating large liabilities," Varga said. "There was going to be more money that would be put into the contribution plan."

The board also argued more money would be contributed to union employees under the defined contribution plan. The union eventually agreed to the board's decision.

The board also negotiated with ATUGR to change daily overtime to weekly overtime, effective August 2020.

"The union wanted to retain daily overtime that they were collecting above and beyond what a 40-hour week would provide," Varga said. "The board thought the current method cost more and wanted to restrict overtime costs."

The new contract will take effect upon final execution of the agreement between both parties.

"I'm really pleased that both the union and the board have ratified the contract. All along, we want to help our employees," Varga said. "They're really hard workers, and we want to provide them with payment and health care compensation."

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Key Presentation Take-Aways

- Stay focused
- Keep board informed and unified
- Prepare board with PR advice
- Keep surveying public sentiment
- Focus on positive media efforts
- Do not respond to negative media
- Stick to a positive public message

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Thank you! Any questions?

