

8 Macon

# Milwaukee County Transit System

1942 NORTH 17TH STREET • MILWAUKEE, WISCONSIN • 53205-1697 • (414) 344-4550

vital then. vital now.



September 4, 2019

James Macon  
ATU  
president@atu998.org

RE: Contract Negotiations

Dear Mr. Macon:

I am following up regarding your request for a written statement regarding MCTS' intention should MCTS' proposed offer not be approved by the union members.

In the event that members do not approve the proposed changes to the contract, it would be evidence that the parties are at impasse. Once the parties are at impasse, we have the ability to implement provisions of our last contract offer. For example, with open enrollment around the corner, at impasse we would implement the healthcare terms we have proposed for 2020, even if the union members have not approved the contract.

I hope the above is helpful. If you have any questions, please let me know.

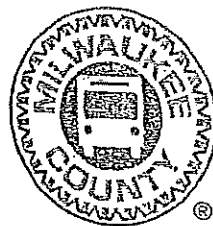
Regards,

A handwritten signature in cursive script that reads "Nate Holton".

Nate Holton  
Director of Diversity and Inclusion

# Milwaukee County Transit System

1942 NORTH 17TH STREET • MILWAUKEE, WISCONSIN • 53205-1697 • (414) 344-4550



vital then. vital now.

August 22, 2019

Dear Employees,

As you may know, MCTS and ATU have been in contract negotiations for 18 months. On August 12<sup>th</sup>, we asked ATU Local 998 to allow you to vote on a contract proposal.

MCTS is largely funded by the State of Wisconsin. State revenues have lagged for many years. As a result, MCTS is facing a \$8.7 million budget hole in 2020. This has made contract talks difficult. Although we are thankfully able to avoid any layoffs, we will have to reduce service by 7% to balance the 2020 budget. More information on the 2020 budget can be found at [RideMCTS.com/Budget](http://RideMCTS.com/Budget).

With this reality, we sought to balance your needs with the needs of the community, and to do right by everybody. We are proud to tell you that we are offering a 2% raise upon contract signing, with another 1.1% raise on April 1, 2020. Once the contract is signed, wages for the average 4<sup>th</sup> year Operator will go up by over \$1,300 per year. The second raise, on April 1, will increase wages by an additional \$700 per year.

Additionally, you may have heard that we were able to drop our co-insurance proposal. The format of your healthcare will stay the same. Doctor and non-specialty prescription co-pays stay the same. Changes to premiums have been minimized. Out of pocket maximums have been increased by \$250 for Single plans and up to \$750 for Family plans. Every employee – even the few who may meet their healthcare out of pocket maximum – will receive an overall increase in pay under our proposal.

Employees will continue to receive cost-of-living wage adjustments (COLA), with a cap of 2.5% per year. Employees will also now have the opportunity to enroll in the dental plan annually. Full details on the 2-year contract proposal, including additional wage provisions for Platform Instructors and Mechanics, can be found on our website at [RideMCTS.COM/laborupdate](http://RideMCTS.COM/laborupdate).

Healthcare costs continue to rise sharply throughout the country. Still, MCTS worked hard to offer a proposal that provides better healthcare than most similar transit systems, the City of Milwaukee, and Milwaukee Public Schools. We did the best we could do for you.

Nobody knows Milwaukee as well as you do. Every day, you experience everything that our community has to offer. You see people at their best and their worst. Through it all, you hold yourself to a high standard and you take great pride in what you do. Thank you for delivering great transit service to our passengers. We are proud to have the best transit employees in the country.

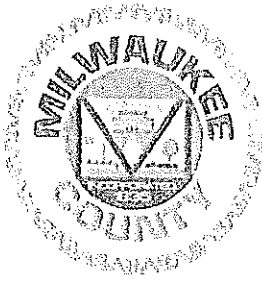
If you have any questions about the last contract offer, please contact your ATU Representative.

Sincerely,

  
Dan Boehm  
President & Managing Director

  
Nate Holton  
Director of Diversity and Inclusion

OPERATOR – MILWAUKEE TRANSPORT SERVICES, INC.



OFFICE OF THE COUNTY EXECUTIVE

**CHRIS ABELE**

MILWAUKEE COUNTY EXECUTIVE

**FOR IMMEDIATE RELEASE**

August 29, 2019

**CONTACT:**

County Executive Press Office

414.278.4216

[press@milwaukeecountywi.gov](mailto:press@milwaukeecountywi.gov)

**AN OPEN LETTER FROM COUNTY EXECUTIVE CHRIS ABELE TO ATU LEADERSHIP**

The Milwaukee County Transit System is a powerful economic development force that provides a critical lifeline for tens of thousands of bus riders every day. Thanks to our drivers, operators, mechanics, dispatchers and other dedicated workers who go above and beyond the call of duty every day, Milwaukee County residents have the mobility and connectivity they need to live their lives. It is significant, yet not surprising that the extraordinary quality of service our MCTS employees provide our residents frequently catches the attention of the entire country.

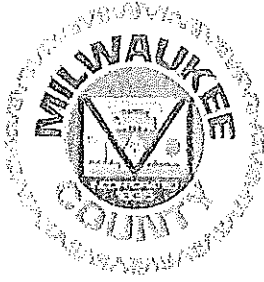
From the day I took office as County Executive, I have fought hard to support our public transit system and our MCTS employees. Together, we reversed fare hikes, and added service in communities of need. We added new buses to our fleet. We celebrate exemplary service through MCTS Excellence. And we have built a modern transit system that we can all be proud of.

But the County has reached a financial crisis point. We rely heavily on state funding for our transit system; and that funding has not kept up with our needs, especially as the cost of service increases. State law caps our ability to collect funding from local taxes, so the County Board and I are limited in investing in the transit system at the level we deserve.

We are actively seeking a long-term funding solution from Madison so that we can preserve the high-quality transit services for our residents, and do right by the drivers who go above and beyond to ensure Milwaukeeans get where they need to go.

Despite the countywide budgetary challenges, MCTS was able to offer a meaningful, fair and viable contract for employees. Throughout this process, MCTS heard loud and clear what is most important to employees and their families, and crafted a proposal responsive to the concerns. I believe this contract represents a true compromise prioritizing both the needs of our employees and our community.

This contract provides a 2 percent raise upon contract signing, with another 1.1 percent raise on April 1, 2020. Employees will continue to receive cost-of-living wage adjustments, with a cap of 2.5 percent a year. The co-insurance provision was of great concern to employees, so it was removed. Every employee – even taking into account out of pocket maximums for health care – will see a net increase in pay.



OFFICE OF THE COUNTY EXECUTIVE

CHRIS ABELE

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MILWAUKEE COUNTY EXECUTIVE

MCTS took the most recent counter proposal from ATU under serious consideration. They found that there is no solution that does not directly result in an additional \$5.5 million in route cuts, nearly double the cuts currently under consideration. Additionally, while the safety and security of our employees and riders is our top priority, the proposal to arm drivers is simply a nonstarter. For this reason, I called on MCTS to create a taskforce with management, drivers and riders to give us recommendations on how to best keep our buses safe.

While we can all agree that even one cut to bus routes is one cut too many, I am proud that MCTS is able to offer a contract that ensures all employees see a net gain in pay. Now is the time to work together. Let us implement this contract and get employees the raises they deserve, so that we can start working together to find a long-term funding solution from the state and pave a new road for our future.

Thank you,

A handwritten signature in black ink, appearing to read "Chris Abele".

Chris



**AMALGAMATED TRANSIT UNION  
LOCAL 998 • AFFILIATED WITH AFL-CIO**  
734 NORTH 26<sup>TH</sup> STREET | MILWAUKEE, WI 53233 | P (414) 342-4300 | F (414) 342-1998

**Media Contacts:**

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414-559-7006

Melissa Zombor  
262-894-5920

**FOR IMMEDIATE RELEASE**

August 29, 2019

**ATU LOCAL 998 CHALLENGES MCTS 2020 'BUDGET HOLE' PROJECTION**

**Preliminary investigation points to millions of over projected MCTS operating expenses since 2015**

MILWAUKEE – The Amalgamated Transit Union (ATU) Local 998 is demanding answers after a preliminary investigation by economic consultant Peter Donohue found that the County's 2018 Comprehensive Annual Financial Reports (CAFRs) showed Milwaukee County Transit System's actual operating expenses were under budget by \$16.53 million from mostly over budgeting MCTS personnel expenses. A look at previous CAFRs since 2015 show that \$39.93 million budgeted for MCTS personnel expenses have gone unspent, but the investigation won't be complete until the County provides financial information requested.

ATU Local 998 President James Macon released the following statement regarding these findings:

"Milwaukee's transit system is the economic backbone of the region. To siphon away tax dollars earmarked for the public transit is unconscionable. Year after year we are asked to make cuts. Buses are becoming more dangerous, routes are disappearing, and many riders have to walk excessive distances to get to the nearest bus stop.

"Based on these preliminary findings, we challenge Milwaukee County Transit System's 'budget hole' narrative. We believe County Executive Chris Abele and MCTS are once again over budgeting their expenses in an attempt to justify cutting vital bus routes and hurting transit workers.

"This changes everything for our members. It raises serious questions about the integrity of MCTS's claims that they are broke. We call on Milwaukee County to stop dragging its feet and provide the financial information requested."

**[Read more about the preliminary findings here.](#)**

ATU Local 998 members have scheduled contract and work action authorization votes on September 5, 2019.

*Amalgamated Transit Union (ATU) Local 998, established in 1934, represents over 1,100 active members in Milwaukee, Waukesha, Kenosha and Sheboygan. Our members are the bus drivers, mechanics, station attendants, and other support personnel who make safe, efficient, and affordable public transportation possible. Learn more at [ATU998.org](http://ATU998.org).*

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601 Van Ness Avenue #28  
San Francisco, California 94102  
415-317-1564  
pblassociates@comcast.net

PBI Associates

August 28, 2019

James Macon, President  
Amalgamated Transit Union Local 998  
734 N. 26th Street  
Milwaukee, Wisconsin 53233

Dear James:

Thanks for forwarding Milwaukee County's MCTS letter, dated August 22, 2019, to members of Amalgamated Transit Union Local 998, projecting an \$8.7 million 2020 MCTS 'budget hole.'

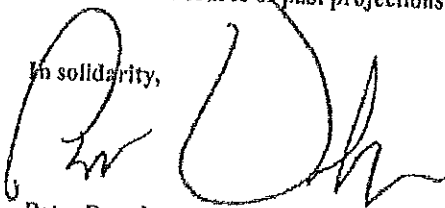
While our investigation into Milwaukee County's overall financial condition and resources won't be complete until the County provides financial information we requested, preliminary findings suggest MCTS's projected 2020 'budget hole' should be regarded skeptically.

The County's 2018 *Comprehensive Annual Financial Report (CAFR)* shows that MCTS actual operating expenses were under budget by \$16.53 million or 9.7%, mainly by overbudgeting MCTS personnel expenses by \$15.62 million or 14%.

Previous years *CAFRs* show that MCTS's operating expenses averaged 6.6% under budget, also done largely by overbudgeting MTSC personnel expenses by 8.8% on average. Since 2015, \$39.93 million budgeted for MTSC personnel expenses have gone unspent.

ATU Local 998 members and the public should be wary of MCTS 'budget hole' projections from the same source of past projections that grossly overstated MTSC operating expenses.

In solidarity,



Peter Donohue  
Principal and Consulting Economist

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