



Agenda Item No. (5.C.)

To: Board of Directors  
Special Meeting of November 13, 2020

From: Denis J. Mulligan, General Manager

Subject: **AUTHORIZE A TEMPORARY FURLOUGH PROGRAM EQUAL TO A TEN PERCENT REDUCTION IN PAY FOR MID-MANAGERS, DEPUTY GENERAL MANAGERS, DISTRICT OFFICERS AND BOARD OF DIRECTORS**

### **Recommendation**

In response to the continuing fiscal crisis facing the Golden Gate Bridge, Highway and Transportation District as a result of the COVID-19 pandemic, it is recommended that the Board of Directors approve a temporary furlough program equal to a ten percent reduction in pay for Mid-Managers, Deputy General Managers, Officers and Board of Director members for a period of six months, effective November 15, 2020 and continuing through May 15, 2021.

### **Background**

The Golden Gate Bridge, Highway and Transportation District (District) faces an unprecedented situation as a result of the COVID-19 pandemic, both in terms of a drop in ridership demand and its financial position. Ridership today on Golden Gate Transit and Golden Gate Ferry is approximately 25 percent and 4 percent, respectively, of ridership for the same period last year. Post-COVID Bridge traffic initially hovered at approximately 35 percent of normal. While traffic has increased, it is still just approximately 70 percent of pre-COVID levels.

Since the onset of the COVID-19 pandemic there has been a precipitous drop in travel in the Golden Gate Corridor with a corresponding drop in the District's revenues. On average, since early March, the District has experienced about a \$2 million drop in Bridge tolls and transit fares (bus and ferry) every week. Even after implementing significant cost saving measures, the District still faces a \$48 million budget deficit (expenses exceeding revenues) for the current fiscal year.

On March 27, 2020, the federal government passed the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, which included funding to support transit operations during the pandemic. As a result of that legislation, the District received \$51.6 million, which allowed the District to keep all regular full-time employees employed during the pandemic, even with the demand for transit services that are a fraction of pre-COVID levels.

The CARES Act funding that the District has been using to pay its employees will run out at the end of November, so the District needs to either reduce costs or raise additional revenues.

**Summary**

In addition to a consideration of reducing costs or raising revenues through layoffs, furloughs and toll surcharges as detailed in Agenda Item No. (5.A.), it is recommended that a temporary furlough program be implemented for all for Mid-Managers, Deputy General Managers, Officers and Members of the Board of Directors. While furlough savings may be modest compared to other initiatives, having management share the burden of lowering the deficit is an important principle in this process. Where possible, everyone needs to do their part in being solutions-minded in cost saving endeavors.

**Mid-Managers and Deputy General Managers**

There are 34 employees in the Mid-Manager and Deputy General Manager classifications. It is recommended that the District implement a temporary furlough program as to these classifications to equal a ten percent reduction in pay. Beginning November 15, 2020 through May 15, 2021, affected employees must meet a total furlough obligation of 14 unpaid furlough days, or one day (8 hours) per pay period.

The following positions would be affected by this recommendation:

<b>Division</b>	<b>Position</b>
Bridge	Superintendent Paint, Bridge
Bridge	Superintendent Ironworkers & Operating Engineering
Bridge	Superintendent Facilities and Maintenance, Bridge
Bridge	Superintendent Electrical, Bridge
Bridge	Deputy General Manager, Bridge
Bridge	Bridge Captain
Bus	Superintendent Transportation Bus Operations
Bus	Superintendent Bus Safety and Training
Bus	Bus Maintenance Superintendent
Bus	Director of Schedules and Service Development
Bus	Director of Operations, Bus Division
Bus	Director of Maintenance, Bus Division
Bus	Deputy General Manager, Bus
District	Supervising Civil Engineer (3)
District	Manager, Compliance Programs
District	Human Resources Manager (2)
District	Director, Budget and Electronic Revenue
District	Director Risk Management and Safety
District	Director of Procurement
District	Director of Planning
District	Director of Marketing & Communications
District	Director of Fiscal Resources
District	Director of Accounting
District	Director Capital Grants

<b>Division</b>	<b>Position</b>
District	Deputy General Manager, Administration & Development
District	Deputy District Engineer
District	Chief Technology Director
Ferry	Director of Operations, Ferry Division
Ferry	Director of Maintenance, Ferry Division
Ferry	Deputy General Manager, Ferry
District	Director of Public Affairs

Approval of this recommendation would include agreement of the following program principles:

- Employees must first meet their furlough obligation (a minimum of 8 unpaid hours per pay period) prior to taking accrued vacation or compensatory time off.
- District policy requires that an employee be in paid status on the first work day of the month in order to be eligible for medical coverage. However, that policy will be waived, in the event the employee is taking furlough leave on the first work day of the month. Employees are responsible to their applicable premium sharing contributions.
- Affected employees would accrue their full vacation and sick leave accruals each pay period.
- Any new employees or employees returning from an unpaid status will have a furlough obligation based on the number of pay periods remaining in the furlough program.
- Employees may take their furlough days earlier during the six-month period in order to balance work demands.

### **District Officers**

It is recommended that the furlough program outlined above for Mid-Managers and Deputy General Managers also apply to the General Manager, Chief Engineer, Auditor-Controller, and Secretary of the District. The Attorney, who is not a District employee, already has agreed to a 10% hourly rate reduction for the time period during which the furlough program is in place for the District Officers.

### **Board of Directors**

By charter, Board of Directors receive a \$50 stipend per meeting day. The Labor Advisory Committee voiced their support for including the Board of Directors in this item. Therefore, it is recommended that the Board of Directors implement a reduction in stipend pay equal to ten percent for six months, effective November 15, 2020.

### **Fiscal Impact**

The recommended action would reduce the District's cost for pay and related benefits by approximately \$440,000 in FY 20/21.

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