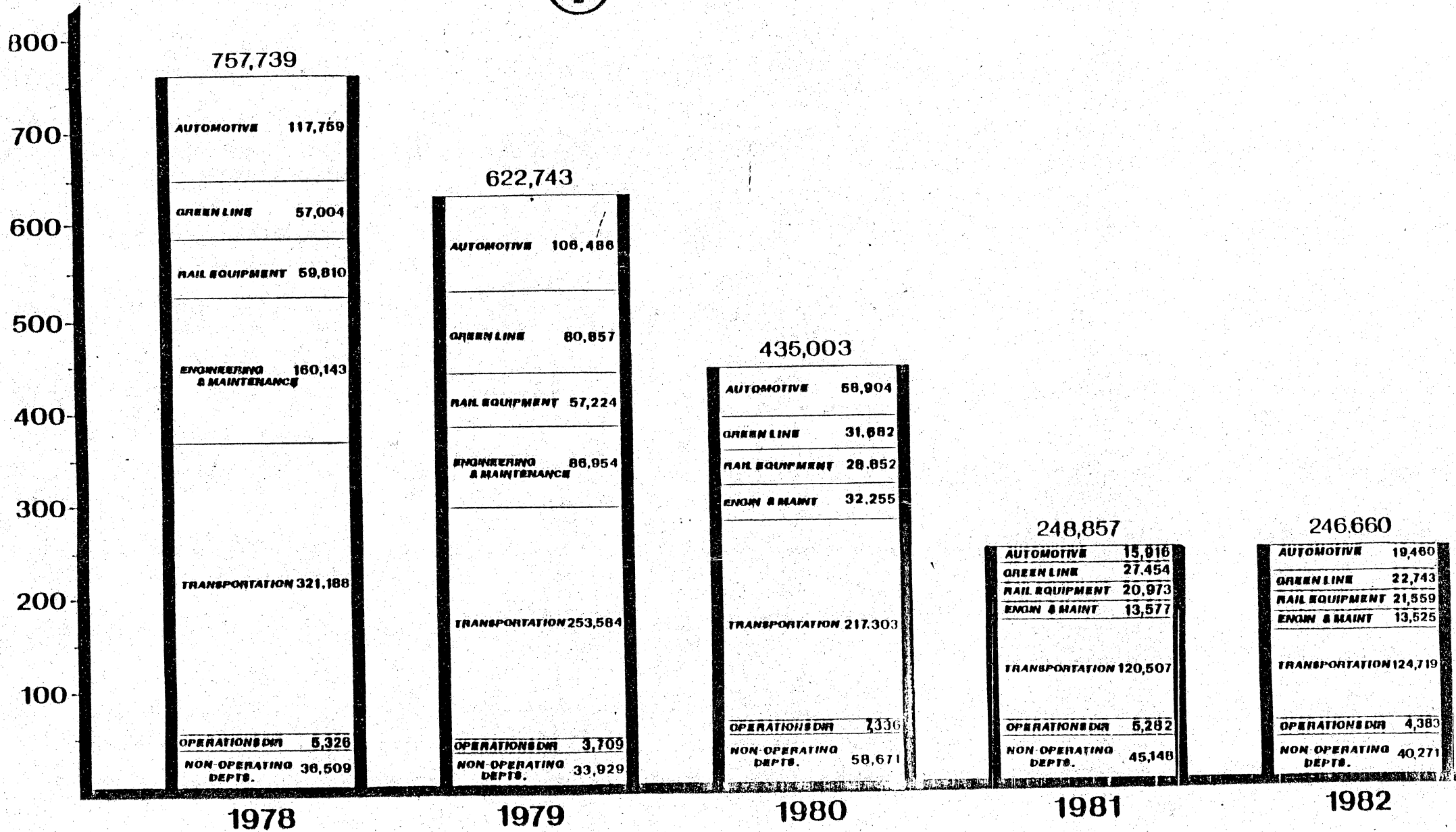


(T) OVERTIME HOURS



CHAPTER 581 MANAGEMENT RIGHTSMBTA ACTIONS FROM OCTOBER 22, 1981 TO FEBRUARY 17, 1982

The Federal Appeals Court decision allowing implementation of Chapter 581, "Management Rights", went into effect October 22, 1981. From that date, the following actions have been initiated by the MBTA:

1. On October 22, 1981, a new policy regarding the allocation of overtime was instituted. This new policy changed the strict seniority-first rule to one which enabled management to select the most capable and available person for the overtime work. The new policy also incorporates a provision which prohibits workers with poor attendance records to be eligible for overtime. During the last two (2) years, "T" management has reduced overtime expenditures by \$5,803,149, or a reduction in overtime hours of 60%. The new change in the policy regarding the use of overtime will further reduce the expenditure for overtime. It will take several full pay periods to determine the full financial impact, but approximately \$100,000 annually is being projected for travel time savings alone.
2. On October 22, 1981, Guard positions on Rapid Transit were reposted to enable the Authority to staff trains with only 1 Guard rather than the 2 previously required by work rules. By 11/10/81, layoffs of 66 Guards were completed for an annualized savings of approximately \$2 million dollars.
3. The Authority had been operating its own power generating facility in South Boston at a cost exceeding that for which the power could be purchased from Boston Edison. Annualized savings from the purchase of power is estimated to be \$5,200,000. In addition, employees working at South Boston were transferred into existing vacancies which would have required filling and, in many cases, the transferred employees were placed in lower paying jobs. \$100,000 in annualized savings is projected by these moves.
4. On October 22, 1981, the Authority stopped the practice of restricting Operators to the assignment of one detail at a time. Operators now can be assigned more than one detail without having to return to their originating point (increased productivity).
5. On October 22, 1981, the Authority stopped the practice of allowing senior individuals from obtaining overtime on night work trains if it resulted in the inability of that individual to work his regularly scheduled work on the next day (six-hour off work rule). This practice created overtime expenditures to cover individuals not able to perform regularly scheduled work.
6. On October 26, 1981, stopped the practice of not allowing a "blue print" cover Operator from going to another location to cover a vacant run. Old rules prohibited the re-assignment of individuals between locations (increased productivity).

7. On October 26, 1981, a work rule which prohibited a conductor on the second car of a Green Line train to being re-assigned as the Operator of a one-car train was abolished (increased productivity).
8. On November 17, 1981, a series of meetings were initiated with the Carmen's Union regarding the work practices within the Authority's money room operation. These meetings resulted in an agreed-upon plan by Union and Management which when fully implemented in 1982 will result in an annualized savings of \$180,000 to \$200,000.
9. On November 28, 1981, Car Cleaners and Shifters on the Green Line were re-assigned to locations and work shifts where management determined a need existed. This was accomplished without observing former restrictions requiring bidding for locations and shift times (increased productivity).
10. On November 28, 1981, management established a policy that, if a Car Cleaner on the Green Line was qualified to perform Shifter's work, he would do so if the need existed. Conversely, if a Shifter was not shifting and cleaning work was needed, Shifters would be required to clean vehicles (increased productivity).
11. On November 28, 1981, Stock Clerks were reclassified to Roving Stock Clerks and now may cover more than one location. Increased productivity and a cost avoidance of hiring Stock Clerks for each location (\$30,000 to \$60,000).
12. On November 28, 1981, the Authority re-assigned 22 of the 44 individuals who were only assigned to track walking to preventive maintenance and other duties. The remaining 22 Track Walkers were assigned to cover track based on track reliability data (increased productivity).
13. During November, December and the first part of January, 1982, specifications were developed for the cleaning of stations, buildings and vehicle interiors. These specifications were sent out the last week of January, and bids will be received between 3/5/82 and 3/12/82. It is hoped that up to \$2 million dollars on an annualized basis can be saved through cleaning contracts.
14. On November 28, 1981, the method of rubbish collection was changed to enable carhouse and garage personnel to dispose of rubbish into dumpsters rather than sending special gangs out to pick up trash (increased productivity).
15. On November 28, 1981, stopped the practice of sending 2 welders and 2 grounders on work assignments. Now, 1 Welder and 1 Grinder will be assigned to accomplish the same work previously done by 4.
16. On November 28, 1981, two Tool Room Attendant positions were abolished, and the individuals were re-assigned as Car Cleaners. This avoided approximately \$60,000 in labor costs which would have occurred if the vacant Car Cleaner positions were filled with outside personnel.

17. On December 1, 1981, 36 repairmen on the Green Line were re-assigned to locations and shifts that management determined. This was accomplished without a repick (increased productivity).
18. On December 1, 1981, 27 individuals working on LRV modifications were re-assigned to new shift hours without repicking (increased productivity).
19. Eliminated the system-wide selection of work by surface Operators which was scheduled for 1981. This action will save approximately \$85,000 in training and retraining costs.
20. Curtailed the posting and bidding of vacancies which in the past has created extensive movement of the work force among the various locations of the Authority. This action will result in a savings of approximately \$150,000 associated with training, retraining and administration time.
21. During November, December and January, meetings were held with the Carmen's Union regarding the employment of part-time bus Operators. The Union strongly objected to implementation of part-time Operators, but the Authority integrated 20 part-time employees into the winter schedule in Quincy. Sixty-plus part-time employees will also be integrated into the spring schedule. These actions will result in a savings of approximately \$1 million dollars in 1982, although, the use of part-time employees will be evaluated over the first six months of 1982 to determine if more can be added during the second half of the year.
22. The Machinists' Union was advised in two meetings during January and February, 1982, that it is the intention of the Authority to implement part-time fuelers in the automotive area and to combine Machinists' classifications in the Everett Shops. These actions should result in a savings of approximately \$300,000 during 1982.
23. Also accomplished in 1981, either directly by the passage of Chapter 581 or by assistance it afforded, were:
 - Reduction in the number of "T" employees in 1981 by 773. The annualized savings of this decrease is approximately \$21,000,000.
 - The contribution required on overtime earnings to the pension fund was abolished. The annualized savings to the Authority based on 1981 overtime would be approximately \$515,000.
 - Abolishment of automatic cost-of-living salary adjustments. Savings over the last year of \$15 to \$20 million dollars.

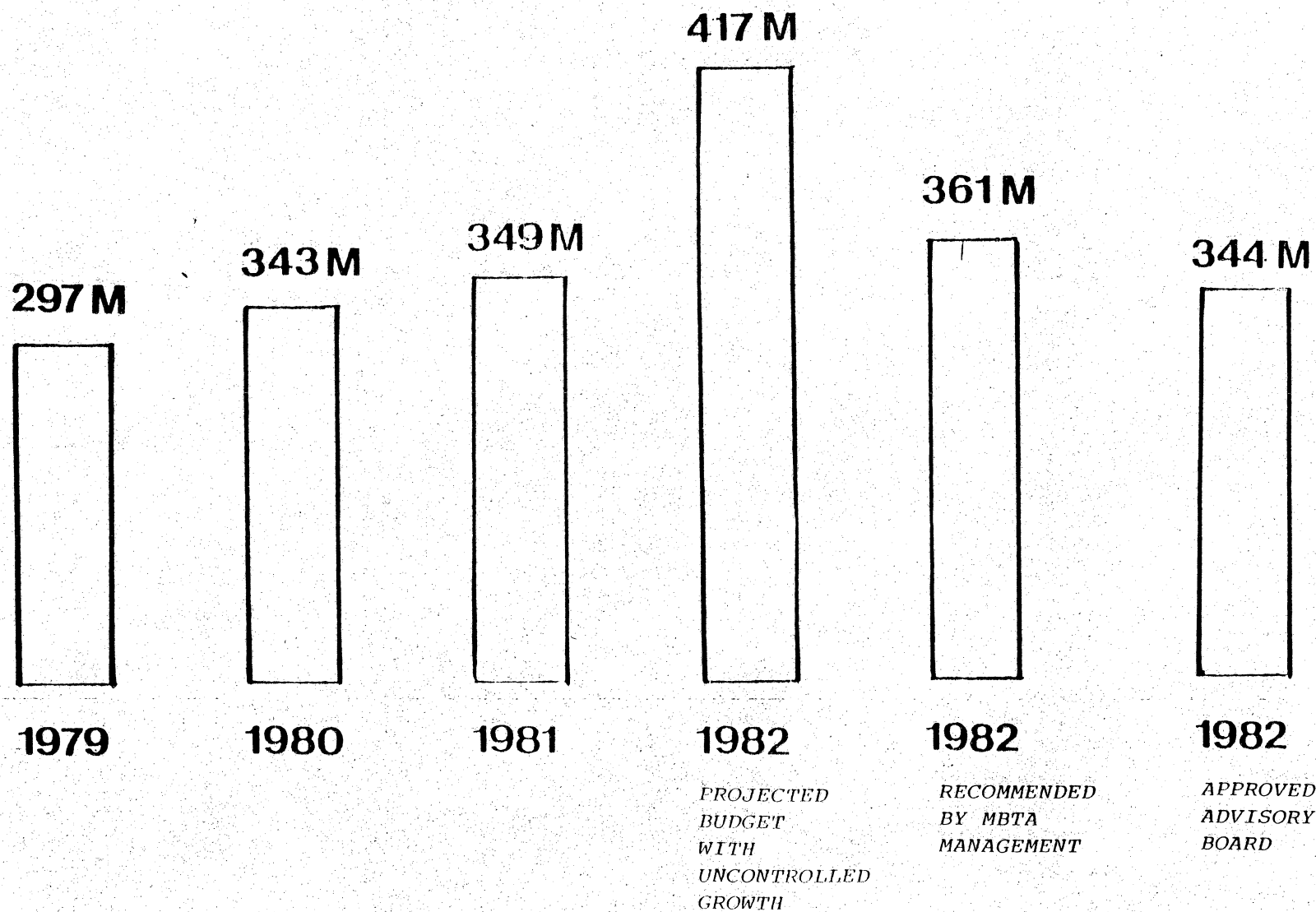
There are other small changes which were implemented during this period, mostly regarding work assignment. The future Chapter 581 projects for the "T" to direct its attention to should be in the following areas:

- Contracts for services such as car rebuilds, engine rebuilds and other maintenance modules.
- Work productivity standards in conjunction with automated data collection.
- Restructuring of job classifications.
- Use of part-time help on track and other maintenance areas.
- Subcontracts of routes to private carriers.

PROJECTED 1982 BUDGET WITH UNCONTROLLED GROWTH

	<u>IN MILLIONS</u>
1981 EXPENDITURE	\$349.
OVERTIME REDUCTIONS	2.
FIXED COST INCREASES	16.
SOUTH BOSTON POWER PLANT CLOSINGS	5.
SECOND GUARD REDUCTION	2.
BLUE CROSS AND OTHER FRINGE SAVINGS	2.
CHAPTER 581 SERVICE CONTRACTS	2.
CHAPTER 581 PART-TIME EMPLOYEES	1.
REDUCTION OF 773 EMPLOYEES IN 1981	\$21.
OVERTIME CONTRIBUTION TO PENSIONS	.5
AUTOMATIC COST-OF-LIVING	<u>17.</u>
 TOTAL NON-CONTROLLED EXPENDITURES	 <u>\$417.5</u>
 COSTS SAVINGS	 <u>\$56.5</u> Million based upon budget with supplement totalling \$361 million requested by the MBTA in 1982.

MBTA BUDGETS 1979 - 1982





**MASSACHUSETTS
BAY
TRANSPORTATION
AUTHORITY**

James F. O'Leary
General Manager
50 High Street
Boston, Massachusetts 02110

March 15, 1982

Hon. Francis H. Duehay
Mayor of the City of Cambridge
City Hall
Cambridge, MA 02139

Dear Mayor Duehay:

We would like to take this opportunity to review with you the progress we have made in our first year as the new management of the MBTA. We strongly believe that during our tenure, MBTA management has acted aggressively to carry out your mandate to make the system more efficient. Your support has contributed greatly toward the MBTA's continued effort to control costs and increase productivity, as outlined below.

In December, 1980, with your help, the Massachusetts House and Senate passed a major reorganization of the MBTA. The passage of Chapter 581, Management Rights, has significantly bolstered MBTA management's attempts to make the system more efficient. Since the Federal Appeals Court allowed implementation of Management Rights in October 1981, MBTA management has aggressively moved to implement the legislation.

For example, in the four months since the final Court decision, the management of the MBTA has:

- changed strict seniority-first rules for overtime. Now management chooses the most capable, available person for the work. During the past two years, the Authority has reduced overtime by 60%, for a savings of \$5,803,149 (see Appendix A). This new policy will further reduce overtime expenditures.
- changed the 2-guard rule, so that the Authority may staff trains with only one guard. MBTA management has been trying to initiate this change since the 1930's. The resultant job reductions will save approximately \$2 million a year.
- published bid specifications for contract cleaning of stations, buildings, and vehicles. Savings could approach \$2 million per year.
- shut down the South Boston power plant and began purchasing electricity from Boston Edison. This will save an estimated \$5.2 million annually.

These are just a few of the dozens of actions MBTA management has implemented under Management Rights. We have enclosed a comprehensive document, which details all the management actions to date (see Appendix B). These actions have saved the MBTA approximately \$50 million. These savings include the reduction in the number of employees by 773 and the abolishment of automatic cost-of-living adjustments. Over the long run, we will realize millions of dollars of additional savings from increased work productivity.

We are far from finished in finding ways to increase efficiency at the MBTA. For example, we plan to place out to bid engine, motor and transmission repairs, and other maintenance projects, again with potential savings reaching the millions. Further, we will develop productivity standards for MBTA employees, giving us the most efficient means ever for evaluating employee performance. Without management actions like these, uncontrolled spending would have risen dramatically in 1982, simply to maintain '81 service levels (see Appendices C & D).

As you know, we are currently prepared to operate within the \$344 million budget you approved. But it is obvious to us that even with the significant gains we've made with Management Rights, this budget would still require severe service cutbacks.

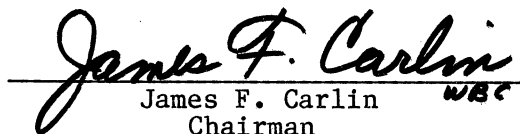
Governor King has proposed a \$17 million supplemental budget package that would not only increase service and reduce fares, but would also reduce assessments to the cities and towns. Specifically, the package would:

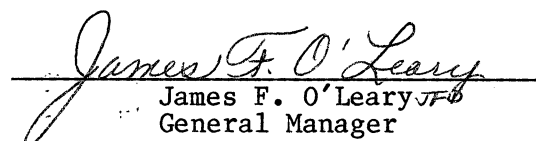
- . reduce rapid transit fare from 75¢ to 60¢
- . in FY 1983, cap MBTA assessments to the cities and towns at \$95 million - a decrease of \$6 million from the FY82 assessment.
- . in the FY84 Budget, provide state aid necessary to guarantee the cities and towns no more than a 2.5% increase in assessments.
- . dramatically increase service, especially during the rush hours.

These and other detailed elements of Governor King's package represent the most significant commitment to mass transit ever, from any Governor of the Commonwealth. We urgently need your support for this package, so that we can continue to carry out your mandate of providing efficient and adequate service.

We are most grateful for the fairness you have shown us in the past, and ask for your continued support at this critical juncture in the MBTA's history.

If you have any questions, we would be happy to meet with you to discuss any of these issues.


James F. Carlin
Chairman


James F. O'Leary
General Manager

94-317

Comm. from James F. O'Leary, Gen. Mgr., the MBTA relative to progress made by the MBTA's management to improve their efficiency and productivity.

In City Council,

March 22, 1982

3/22/82

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on

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