

October 31, 2023

TheBus Hernando County Transit
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Darlene Lollie, Transit Grants Administrator

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Re: TheBus | Request for Employee Wage Adjustments

Since April 2011, RATP Dev USA, Inc. (RATP Dev) has partnered with Hernando County to operate TheBus, Hernando County's fixed route and ADA paratransit services. With the expanding development surrounding the County, and the ongoing inflation of wages that resulted from the COVID-19 pandemic, the labor market has continued to evolve for local residents. RATP Dev recognizes the changing landscape of the transit industry, and the increasingly competitive labor market. Our research of the local labor market and proactive recruitment efforts have identified a continued increase in employment competition and a steady decline of employee applications. Based on current local trends, RATP Dev has recognized the need to adjust employee compensation to enhance recruitment efforts and retain quality transit employees and in January 2023 we implemented a 12.5% pay increase that took starting bus operator hourly pay from \$12.50 to \$14.06. This was done without additional financial support from Hernando County. The local labor market has quickly shown us that this increase is no longer adequate to attract and retain quality candidates.

Competitive Employment Opportunities

To ensure adequate staffing of skilled, customer-oriented employees, RATP Dev proposes an additional wage adjustment to further enhance candidate recruitment, hiring, and retention. We believe an increased wage and benefit offering will improve the quantity and quality of candidates and promote long-term employment to increase service stability and enhance TheBus service. RATP Dev has assessed the current labor market and identified regional employment opportunities that make up the current competitive landscape. This analysis included a thorough labor market assessment, wage analysis, identification of regional variations, as well as reviews of RATP Dev's similar regional operations. In this competitive labor market, it has become evident that compensation rates have become even more important in enticing quality candidates.

Proposed Wage Adjustments

Based on our assessment of the market, RATP Dev is recommending a 24.5% increase to the starting wage rates for all hourly positions. To avoid wage compression and to preserve years of service seniority, we recommend that this same 24.5% is applied to the current wage rates for existing employees in each of those hourly positions. RATP Dev's proposed wage adjustments position pay rates for hourly workers in better alignment with the regional labor market. Per our staffing model, this would encompass 30 total staff positions, as summarized on the following chart.

Position	Employee Count	Current Starting Wage	Proposed Starting Wage
Administration	1	\$ 17.00	\$ 21.17

Supervisors	4	\$ 17.50	\$ 21.79
Dispatch	1	\$ 15.50	\$ 19.30
Servicers (PT)	4	\$ 12.93	\$ 16.10
Operators (FT / PT)	20	\$ 14.06	\$ 17.50

Cost Information

The proposed increase in starting wages, coupled with the adjusted wages of current staff, results in an increase in base wages of \$209,260.84 per year. With the addition of projected costs in overtime, payroll taxes, 401k match, and workers compensation premiums, the total increase to RATP Dev costs is \$240,538.62. Based on our 2023 estimated annual volume of 28,734.21 revenue hours, RATP Dev requests a 13.1% increase in fixed and variable rates to cover the costs of the 24.50% recommended wage increase. This equates to an increase to \$43,824.00 per month for the Paratransit Fixed Rate and an increase to \$53.76 per hour for the Fixed Route Variable Rate.

Rate	Current Rate	Proposed Rate	Percentage Increase
Paratransit Fixed Rate	\$ 38,748.00	\$ 43,824.00	13.1%
Fixed Route Variable Rate	\$ 47.53	\$ 53.76	13.1%

Should Hernando County accept this proposal, the additional revenue received from these rate adjustments is intended to cover wage and benefit cost increases for hourly employees only. Any approved adjustments will benefit the employees, not the profitability of the contract.

Sincerely,



Steve Sherrer
Region Vice President