

Communicating Change During Conversion



North County Transit District Saves \$10 Million Annually After Contracting with First Transit.



Based in San Diego, Calif., the North County Transit District (NCTD) provides public transportation service to more than 12 million passengers annually. Its family of transit services includes the BREEZE bus system, the COASTER commuter rail service, LIFT paratransit and the SPRINTER light rail.

In 2008, NCTD faced up to \$20 million in annual deficits due to the elimination of State Transit Assistance funding and dramatically lower sales tax revenues. The organization needed to make significant changes to its fixed-route operations and system-wide maintenance operations or risk dramatic service cuts, substantial staff reductions and employee pay concessions as high as 30 percent.

Following a nine-month review of strategic operations, the board voted to outsource fixed-route operations and fleet and facility maintenance to First Transit.

The financial challenges facing NCTD were no secret to its staff or union representatives. The organization had instituted a hiring freeze and downsized as necessary to maintain financial solvency. Service was also cut, which was a concern for system users. When the decision was made to privatize the system to ensure its viable future, there were – understandably – many questions, rumors and concerns from employees.

NCTD and First Transit established their change communication with one goal in mind - To educate and retain employees, union reps and passengers about the decision to privatize NCTD. Management on both sides recognized that for the transition to truly be seamless, each key audience needed to understand, accept and feel comfortable with the decision to privatize fixed route service.

Target Audiences and Needs

NCTD employs more than 200 associates, some with more than 30 years of experience. Many saw NCTD as their second family and valued not only the professional, but also the personal relationships built while at work. The employees' main concerns were personal – job loss, wage concessions and new management styles. Before transitioning to First Transit, they needed assurance that their years of service, route knowledge and commitment to NCTD would be respected and valued.

Teamsters Local 542 began working with NCTD employees in the late 1990s. As representatives of the union membership, their focus was on ensuring a fair and balanced contract for drivers, mechanics and staff members. Frequent communication was crucial to ensure representatives understood the severity of the financial situation and the opportunities privatization would bring to membership.

"First Transit came in they told us exactly what they expected of us what they wanted us to do how they want things to run and how they run things. And there is a big difference between the public and private side. But once you understand how and what they want it went great."

- Mike Robinson, Maintenance Supervisor

Passengers depend on NCTD service to get them to doctor's appointments, work, the grocery store and other necessary destinations. Elimination of routes would be detrimental to their livelihood, and the threat of change caused great concern from passengers. Assuring them that the transition would, in fact, be seamless was key for continued support, word of mouth advertising and increased passenger revenue.

Regular Team Meetings

NCTD leadership met weekly and later bi-weekly with managers and employees to provide an open forum for questions, concerns and issues. All concerns were addressed honestly and the leadership team knew that in order to retain top talent, they would have to address all concerns. Human resource representatives joined the leadership team to outline the transition schedule, First Transit benefits and wage structures, and career mobility.

The new general manager hosted open house events at both the Escondido and Oceanside locations to meet associates and help ease concerns of staff reductions and pay concessions.

NCTD also maintained frequent communications with Teamsters representatives, which was a crucial element in conveying First Transit employment information. After addressing all possible scenarios and laying out plans for technology, growth and employee retention, NCTD was able to ease the considerable resistance that it first met when introducing the concept of privatization.

"A key to success of this entire process is open discussion with everyone and having an open door policy on the part of the executive director. So numerous meetings were held with all hands, labor and also administrative staff so they could ask questions of any sort, at any time, about any subject and got honest open transparent answers."

- Bob Campbell, Former Chairman, NCTD



"They did say it was going to be a smooth transition and it was. It's strong team work with First management and I really really like that. It shows a lot about that company so I am very pleased to be here working for them now."

- Mandy McFadden, Bus Operator, First Transit

Communicating change is never easy, especially when the initial reaction to change is fear of the unknown. NCTD's open, honest communication with its three target groups proved to be essential in ensuring a smooth, seamless transition.

More than 80 percent of employees decided to transition to First Transit, which helped maintain consistency for passengers. On-time performance increased slightly, due to the increase in drivers and lost service decreased dramatically, which added to passenger satisfaction.

Union leaders were instrumental in ensuring a smooth transition. With a full understanding of the dire situation NCTD was facing, union representatives communicated frequently with membership, adding another layer to the already frequent employee meetings.

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