

# An Open Letter to the City of Jackson

## **Summary**

- In response to Mayor Horhn’s citywide call to address Jackson’s significant fiscal challenges through substantial and, unfortunately, necessary cost reductions, MV spent months, at no charge to the city, developing a transit system redesign that created a rare win-win-win outcome:
  - A win for the city that would yield significant and much-needed savings
  - A win for unionized employees who would see huge wage increases
  - A win for the residents of Jackson as the redesigned service would minimize service changes
- Without the additional resources that would be freed up by the redesign, there are insufficient funds in the existing contract to even fully fund existing service at existing wages; MV has been operating at a loss in Jackson, effectively subsidizing this service, since 2024. A service redesign, or some alternative outside funding which no one has been able to identify, is necessary to provide our employees with the substantial raises needed to make their wages competitive.
  - By contrast, if the redesign we have proposed to meet the City’s needs was implemented, MV would be able to fund substantial raises – for most employees, this would be between \$3 and \$5 per hour, a huge amount, all for the benefit of our teammates and their families. This also benefits service quality through better staffing, another win-win.
  - Without the amendment, the wage increase will be 4%, as that is all that is provided for under the current contract with the City.
- Union leaders have refused to even acknowledge the benefits of this plan and have offered no viable plan of their own. They have declined proposals that address any concerns other than their own demands, have declined the company’s request for help from federal mediators to try to resolve these issues, and they have presented no alternative funding solutions to address the costs of their demands. In addition, they have refused to consider the required safety and attendance policies that MV uses in its unionized operations across the country, putting passengers and employees at risk and without accountability. On Wednesday, June 10, they shared they will be taking a strike vote on Friday, June 12, even though a strike would only harm the people of Jackson through the indefinite loss of service.
  - These same local union leaders also led a failed strike in 2024. That strike cost the people of Jackson service for two weeks AND cost their own members approximately \$1000 each in lost pay, even after union strike pay, which they never recovered. Unfortunately, these same leaders are utilizing the same unrealistic approach now, an approach that has prevented a deal for many months (negotiations began in November

2025). As a result of these delays and their failure to reach agreement, they have cost their members, on average, approximately \$2,000 in compensation EACH that each member could have had if their elected leaders had agreed to this plan and the service redesign was implemented on March 1, as it was first proposed. We encourage our unionized teammates to call out this counterproductive approach with their elected union representatives and to ask those leaders how they plan to make up for these huge losses to each of them.

- MV remains open to any viable alternative solution. We want to come to the best possible solution for Jackson, and we remain flexible in doing so, as we always have been. For example, we have remained at the table for months, despite the lack of any credible counterproposal from the local union leaders, and we are committed to continuing to do so. Unfortunately, without a viable funding path, either through the proposed transit service redesign or another alternative solution, the wage increases which MV would like to provide as part of such a solution are unaffordable under the current contract, and the risk of a strike, and all of its negative impacts on the people of Jackson, becomes difficult to avoid.
- What we need now is leadership, alignment, and a shared commitment from all stakeholders to quickly get to a resolution to address the important issues described herein. We applaud Mayor Horhn for his focus on protecting the City of Jackson and the City Council for their same commitment and for their efforts to assess the options fairly and thoughtfully, and we stand ready to work with them. Throughout those discussions, we look forward to any and all constructive efforts to solve these problems.

## From the MV Transportation Leadership Team:

To Mayor Horhn and the Mayor's team, City Council members, the passengers we love to serve, our valued transit system teammates, local union leadership, community stakeholders, and residents of Jackson:

For decades, MV Transportation has partnered with communities across the United States and Canada to provide safe, reliable public transportation services. Since our founding in 1975, we have served one mission, for millions of people: to provide needed transportation to people and to help them connect to jobs, healthcare, education, and opportunity. It is through that overwhelming commitment to our mission that we have grown to become the largest American transit company, regularly outcompeting our much larger competitors who are owned and supported by foreign corporations. We are very proud of the fact that we have built a company that consistently delivers the best passenger experience in transit

through a deep commitment to its teammates and the communities it serves. You can learn more at: <https://mvtransit.com/why-partner-with-mv-transportation/>

Today, Jackson faces significant financial challenges. We recognize the difficult decisions confronting city leaders, and we share the community's concern about the future of public transit service in the city. These challenges affect everyone: passengers who depend on transportation, employees who provide essential service, and elected officials charged with balancing limited resources against growing needs.

**Throughout these challenges, MV Transportation has remained deeply committed to serving Jackson.** We have done so through significant service improvements since we won the contract and started service in 2024, earning praise from the ADA Advisory Committee for our service quality; through more engagement with our valued teammates; and through significant support for the community, from the Fire Department's Halloween Event, the National Folk Festival, the Christmas Parade, the St. Patrick's Day Parade, National Homeless Awareness Day, the March for Mayor's Food Drive and many more community activities. We have done this because it is who we are as a company and because of our deep commitment to serve the communities in which we operate.

**But there is much work to be done to solve serious problems, and it will require all parties working together, for the benefit of Jackson, to solve them.**

The day after Mayor Horhn's inauguration, we met with him in his office and aligned on a shared vision: a true partnership among the city, transit employees, union leadership, and MV Transportation. We believed then, and still believe today, that the best outcomes for Jackson can only be achieved when all stakeholders work together toward common goals.

**Those common goals are delivering a high-quality service at a reasonable cost through outstanding teammates who are well-trained, committed to safety and service and held accountable to deliver the outstanding results our passengers deserve and expect and for which taxpayers and passengers pay.**

## Responding to Jackson's Financial Reality

At the mayor's request to address the city's fiscal challenges, MV took action immediately.

Over the course of several months, and at no cost to the city, our team developed a comprehensive transit redesign intended to address the financial realities facing Jackson's transit system while preserving essential mobility for passengers and creating opportunities for significant employee wage increases and continued employee advancement.

This effort was not required under our contract. It was done at MV expense, to help Jackson address these problems.

We undertook this work because we believed it was the right thing to do. We did it in the spirit of partnership and with the hope of working collaboratively with elected city leadership and union representatives to create a sustainable path forward.

Our objective was simple: create a solution consistent with fiscal realities while improving outcomes for employees, passengers, and taxpayers.

## A Win for the City. A Win for Employees. A Win for Passengers.

The proposed transit service redesign was built around a simple principle: to design the best possible service within the budget constraints the city faces.

### **A Win for the City**

The redesign was designed to generate significant cost savings and better align transit operations with the city's current financial circumstances. As Councilman Parkinson said at the June 3 ADA Advisory Committee meeting, MV was the only one of the City's many partners to come forward with a plan to help – again, totally at MV expense. At a time when every public dollar matters, what we proposed was a realistic, actionable solution that could help stabilize transit funding while preserving service.

### **A Win for Employees**

The redesign also created a viable funding mechanism for significant, market-based wage increases. Under the amendment structure associated with the redesign, most transit employees would see wage increases in the range of approximately \$3 to \$5 per hour.

Without that funding mechanism, available increases are substantially more limited based on the fact that the current contract already does not provide enough funds to support existing service and current wages. As a result, wage increases would be limited to 4% -- approximately 70% - 85% less than what was proposed under the redesign plan.

Additionally, we proposed ratification incentives that would pay union members a retroactive increase going back to January 1 that would be, on average, approximately \$600 - \$800 per person immediately upon ratification and also an additional \$500 per person if

the transit service redesign was implemented – *all in addition to* the significant wage increases described above.

Taken all together, this is clearly a great deal for employees.

### **A Win for Passengers**

Most importantly, the redesign was structured to minimize the impact to passengers while preserving access to transit service for the overwhelming majority of users.

The proposal was designed to protect over 98 percent of weekday passengers while positioning the system for greater long-term sustainability through the implementation of new and flexible microtransit services. Microtransit is a demand-responsive, shared transportation service that uses small accessible vehicles and dynamic routing to provide flexible, on-demand mobility. This new service would provide on demand ride requests through an app or call center to ALL locations that are currently served by the impacted routes. All current hospitals/medical offices, shopping centers and recreational destinations will still be served through this microtransit service, a real benefit to passengers.

No transit change is ever easy. However, we believe this approach represents the most balanced solution available given the City's funding constraints, one that sought to preserve mobility while creating the financial capacity to improve wages and stabilize operations.

We are proud to have been able to work to provide a solution that helps the people of Jackson, and we should note that this operational analysis, which came at no cost to the City of Jackson, stands in sharp contrast to a separate \$1.2 million microtransit study done by JTRAN staff, that has yet to produce any publicly available recommendations. We have submitted a Freedom of Information Act (FOIA) request to understand the details of how this money was spent and what benefits this spending has provided to the public.

## **The Financial Reality We Must Address**

**To be clear, we want to be able to pay our transit workers more. However, without the additional resources generated through the redesign or some alternative funding mechanism which not a single party has yet been able to identify, there is no viable path to fund the market-level wage increases that employees deserve and that all parties would like to see.**

The current contract simply does not contain the resources necessary to support current operations with current wages, much less provide for substantial wage increases on top of

that. This is driven by the fact that, since this contract was bid years ago, wages for CDL drivers in Jackson have increased significantly, far beyond what was provided for in the contract several years ago.

To make matters worse, the contract also includes liquidated damages provisions that have been applied punitively; for example, even though there have been significant service improvements under MV, these overly punitive liquidated damages have been applied at a rate as much as 8 to 10 times the national average! These unfair penalties serve no purpose but to further starve the system of needed investment and support.

## Negotiations and the Search for Solutions

Throughout several months of negotiations with local union leadership, MV Transportation has worked to identify a path that balances employee needs, passenger needs, and the financial realities of the City and the transit system.

Among the items we proposed to the local union leaders were:

- Significant wage increases for employees
- A mechanism to reduce forced overtime (which had been necessitated by staffing shortages in order to meet service needs) through the use of non-CDL drivers in appropriate roles, helping expand employment opportunities in Jackson and to address these staffing shortages
- A funding approach tied to the proposed redesign and contract amendment
- Safety provisions aligned with established industry standards, as MV applies at its locations across the country
- Mediation support to assist the parties in reaching agreement

Rather than recognize the realities of a difficult situation and seek to find common ground, local union leaders flatly refused every proposal presented, including proposals to get the help of a federal mediator in order to resolve our differences. They never once presented any alternative funding solution to address the costs of their demands.

In a particularly striking example, MV proposed HIGHER wages in certain cases than the union proposed, and the union still said no! Specifically, MV proposed a starting wage of \$22.00 while local union leaders only proposed paying a starting wage of \$20.72 (final proposals attached). MV also proposed higher wages for some classifications of mechanics, yet the union still countered at LOWER wages for those mechanics.

**Most importantly, an agreement could have been reached months earlier. Had that occurred, employees could have started receiving the higher wages MV proposed many months ago.**

We do not raise this point to assign blame.

We raise it because every day without agreement represents lost wages for employees, lost savings for the City and taxpayers and uncertainty for our valued passengers and the community.

## High Safety Standards Are Critical

While public discussion has understandably focused on wages, MV's deep commitment to passenger and teammate safety remains equally important.

MV is committed to safety because we believe it is our obligation to our passengers and our teammates. To meet this obligation, we conduct rigorous training – best practices built over 51 years of business across hundreds of contracts, virtually all of which are unionized today – and then provide frequent coaching to our teammates while also holding them accountable for meeting those high standards. After decades of doing this well, we have a system that works to protect employees, passengers and the public as well as possible. That is why MV has always insisted --- and will always insist – on maintaining these nationwide standards in our work in Jackson, despite the local union leaders' opposition to these standard practices. ALL of our passengers, employees and the public deserve exactly that, and nothing less.

## The Cost of Continued Delay

We want to recognize Mayor Horhn's leadership and his office's continued engagement on these important issues, as well as the engagement of the City Council under the leadership of City Council President Grizzell. We also recognize the commitment of our valued teammates, Jackson's transit employees, who continue serving passengers every day despite the current uncertainty, and we are very focused on the thousands of passengers who depend on transit and deserve stability, reliability, and transparency.

To honor the commitment of all of these people, it is essential that we do not lose more time. Every week that passes prolongs the problems we described herein. For employees, it means postponed wage increases and lost earnings.

For the City, it means continued uncertainty and operational instability and spending it can't afford.

For passengers, it increases the risk of service disruption and uncertainty regarding the future of the transit system upon which they rely.

The longer these issues remain unresolved, the greater the impact becomes on everyone involved.

## The Failures We Must Avoid

Without a viable funding path, whether through the proposed amendment and redesign or another alternative solution, the risk of a strike becomes increasingly difficult to avoid. In fact, local union leadership indicated to MV negotiators on June 10 that they intend to hold a vote to authorize a strike this Friday, June 12.

While we respect and acknowledge their right to do so, we are appalled that local union leadership would think that launching another strike is anything but a terrible idea. A strike would mean passengers not being able to get to work, to the doctor or to any other destination in their routine. It would particularly hurt our most vulnerable passengers, who rely on public transportation for essential daily and medical activities.

It would mean employees, rather than receiving wage increases and a ratification bonus, would lose pay and be worse off as a result.

And it would accomplish nothing, because it would do nothing to solve the problems described herein. We believe Jackson deserves better.

## Three Potential Paths Forward

At this moment, we believe there are three potential paths:

### **Option One: Move Forward Together**

- Agree on the proposed redesign or identify an alternative funding mechanism that addresses the City's financial problems
- Ratify the proposed labor deal that provides significant wage increases and a ratification bonus
- This is the one path that provides benefits to employees and passengers immediately.

### **Option Two: Continue to Negotiate**

- As we stated above, we remain willing to work with elected officials and others to find alternative solutions to these many problems, just as we have been doing for many months. But it requires all stakeholders to engage in good faith and focus on practical solutions to the many problems the City and the transit system face.
- While this path does not provide immediate help, it allows for further progress and potentially creative solutions.

### **Option Three: Local Union Leaders ignore the possible solutions and follow through with their threat to authorize a strike and then implement it**

- Only local union leaders can move forward on this path, and only they can prevent it.
- If they choose to go down this path:
  - They are saying “no” to significant wage increases
  - They proceed without having proposed a single credible plan to address the City’s problems
  - They will have acted to strand thousands of passengers
  - Their members – our teammates – will lose substantial amounts of money as a result of an ill-considered strike. Not only will they not get paid while striking, just as they were not in September 2024 during that failed strike, they will also lose:
    - the ratification bonus of retroactive compensation amounting to approximately \$600 to \$800 per person;
    - the immediate pay increase that rises to several dollars per hour over time; and
    - the opportunity for the transit redesign to deliver even higher wages immediately, if implemented.

In other words, while Option One produces immediate benefits for all, and Option Two provides the potential for those benefits through further discussions, Option Three hurts all stakeholders for no benefit and with no path to a resolution. It would be a foolish choice, but the choice lies firmly in the hands of local union leadership.

## Our Invitation to the Community

We remain open, as we always have been, to any viable alternative solution. Throughout this process, we have repeatedly asked stakeholders to help identify a path forward. To date, no alternative funding mechanism has been proposed that addresses the underlying economic realities facing the system.

We welcome ideas.

We welcome collaboration.

We welcome renewed engagement.

What we need now is leadership, alignment, and a shared commitment to solving the problem rather than debating its existence. The opportunity before us is significant. But opportunities do not remain available forever. Everyone's leadership and care for all of Jackson is needed to ensure that a major opportunity to move forward, together, does not turn into a mess that was totally preventable.

## Moving Forward Together

MV Transportation has been a committed partner of the City of Jackson since we began this contract at the beginning of 2024. We remain fully committed to working collaboratively to find solutions. And we remain ready to sit at the table to work, together, toward service options and a union agreement that serve employees, passengers, and the City alike.

Respectfully,

*MV Transportation Leadership Team*