

TO: Finance Committee

FROM: Justin Stuehrenberg, Metro Transit

DATE: June 8, 2022

SUBJECT: Creation of Unit Chief Positions, Metro Transit

Metro Transit is requesting various position modifications as the final step in a reorganization of management staff. These changes include amending ordinance 3.54(9) to modify four (4) Transit Unit Chief positions into Comp Group 21 and the authorization of a double fill of one of the positions based on an upcoming retirement, including:

1. Delete the classification of Transit Service Manager (CG 44, R16). Create the classification of Transit Chief Operating Officer (CG 21, R18). Recreate position #2863 from Transit Service Manager (CG 44, R16) to Transit Chief Operating Officer (CG 21, R18) in the Metro Operating Budget and place the incumbent into that role on a provisional basis. Also, authorize a double fill of this position for up to four months, due to the incumbent's pending retirement.
2. Recreate vacant position #2786 from Operations General Supervisor (CG 44, R10) to Transit Chief Development Officer (CG 21, R18) position in the Metro Operating Budget.
3. Recreate vacant position #2723 from Operations General Supervisor (CG 44, R10) to Transit Chief Administrative Officer (CG 21, R18) position in the Metro Operating Budget
4. Recreate vacant position #2678 from Maintenance General Supervisor (CG 44, R10) to Transit Chief Maintenance Officer (CG 21, R17) position in the Metro Operating Budget.

### **Position Details**

This is the final phase of a planned reorganization for Metro that will result in four executive-level Unit Chief positions, rather than a single deputy, to simplify and streamline communication, create more accountability in the work units, and better position Metro for the success of new initiatives. This reorganization intends to enhance recruitment and appropriately reflect position duties and responsibilities accordingly. The three vacant General Supervisor positions have been recently vacated, with the incumbents moving into Manager roles.

Metro has determined that there is a need for higher-level management to increase the efficiency of the units, provide coverage of various work shifts, and, most importantly, implement major new projects and technologies. Metro has historically been an operations agency, and major projects were rare. However, Metro is currently in the process of many major initiatives, and with these projects come new responsibilities. Design and development of Bus Rapid Transit ("BRT" - including construction, operations readiness, training, and customer outreach), implementation of an entirely new route network (Network Redesign), an overhaul of all of Metro's technology systems, and fare collection system and policies, bringing a second operational facility online (including acquisition, construction, and operations), completing a \$50 million renovation of Metro's main operational facility, and a transition to a zero-emission bus fleet. On top of this,

many of Metro’s partners outside of Madison have made requests to expand service, and Metro must create additional administrative capacity to be responsive to these requests.

Incumbents of these Division Chief positions must be change-agents who possess the technical skills to anticipate future needs well in advance, build relationships with other transit agencies to learn best practices, develop policies and procedures, train their existing staff, identify missing skills gaps and recruit to fill them, and lead their units through dramatic change. They will be responsible for the long-term success of their units, including strategic direction and planning. This certainly includes oversight of the unit, but unlike managers, will not include day-to-day operational responsibilities and allow the freedom to identify and implement necessary improvements in process, culture, and strategy that will allow Metro to be more efficient and responsive to customer needs. This includes both our riding customers as well as our contractual partnerships, as we expect to see significant regional growth over the coming years. Metro must ensure that we are in a position to meet the transportation needs of our rapidly growing region.

### **Salary Details**

These positions are in demand nationally, and we compete for talent every day. In order to recruit experienced professionals who have knowledge in implementing these projects, Metro must be more competitive on salary. Without that, we would need to hire less experienced people and train them on the job while relying heavily on consultants and contractors to a much greater degree. In that scenario, Madison will spend considerably more money than what is proposed here because the typical billing rate for consultants is more than twice what we would pay a direct employee. In addition, once these new employees are trained and have gained that experience, they will be in strong demand and have ample opportunities elsewhere for much higher pay, leaving Metro to start the process all over again.

This assumes that we can keep projects on schedule, which is unlikely without experienced support. If project schedules slip, inflation will quickly consume any salary savings – potentially over \$1 million per year.

Looking at other similarly sized Transit Agencies, it is clear that this salary change, while significantly improved, still leaves us behind our peers. The American Public Transit Association (APTA) maintains a compensation database, allowing easy comparisons to other similarly sized agencies. The table below shows an export of this database with comps from cities that are mostly smaller than Madison and/or with a lower cost of living.

Note that some agencies have a deputy position while others do not, but they all have chief duties in some way. Metro’s proposed plan would transition from a model that includes a deputy but no chiefs, to chiefs but no deputy.

Table 1: External Comps

| Agency               | GM               | Deputy           | COO              | CDO              | CMO              | CAO              |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Actual Salary</b> |                  |                  |                  |                  |                  |                  |
| Dayton               | \$228,254        | \$190,000        | \$162,913        | \$136,533        | \$127,079        | \$147,829        |
| Vancouver WA         | \$188,809        | \$155,004        | \$135,960        | -                | -                | \$155,004        |
| Salem, OR            | \$173,000        | \$150,281        | -                | \$121,543        | \$121,064        | \$121,543        |
| Albany               | \$217,625        | -                | \$139,565        | \$168,443        | -                | \$168,443        |
| San Bernardino       | \$239,400        | -                | \$149,940        | \$146,151        | \$154,452        | \$152,424        |
| Spokane              | \$185,804        | -                | \$141,818        | \$135,065        | -                | \$141,818        |
| St Petersburg        | \$203,888        | -                | \$147,290        | \$149,344        | -                | \$145,191        |
| Corpus Christi       | \$186,472        | -                | \$146,579        | \$146,577        | -                | \$146,579        |
| Bremerton WA         | \$195,790        | -                | \$160,909        | \$153,130        | \$132,080        | \$153,130        |
| <b>Median ACTUAL</b> | <b>\$195,790</b> | <b>\$155,004</b> | <b>\$146,935</b> | <b>\$146,364</b> | <b>\$129,580</b> | <b>\$147,829</b> |
| <b>Max Salary</b>    |                  |                  |                  |                  |                  |                  |
| Dayton               | \$271,587        | \$248,395        | \$207,531        | \$158,581        | \$158,581        | \$173,460        |
| Vancouver WA         | \$188,809        | \$162,840        | \$162,840        | -                | -                | \$154,260        |
| Salem, OR            | \$173,000        | \$150,281        | -                | \$121,543        | \$133,749        | \$121,064        |
| Albany               | \$222,186        | -                | \$167,022        | \$190,405        | -                | \$190,405        |
| San Bernardino       | \$239,400        | -                | \$172,374        | \$172,374        | \$172,374        | \$172,374        |
| Spokane              | \$185,804        | -                | \$141,818        | \$135,065        | -                | \$141,818        |
| St Petersburg        | \$213,455        | -                | \$159,835        | \$159,835        | -                | \$159,835        |
| Corpus Christi       | \$235,000        | -                | \$236,565        | \$236,565        | -                | \$236,565        |
| Bremerton WA         | \$195,790        | -                | \$160,909        | \$153,130        | \$132,080        | \$160,909        |
| <b>Median MAX</b>    | <b>\$213,455</b> | <b>\$162,840</b> | <b>\$164,931</b> | <b>\$159,208</b> | <b>\$146,165</b> | <b>\$160,909</b> |

|                                     |           |           |           |           |           |           |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Madison current Max                 | \$155,338 | \$115,065 | -         | -         | -         | -         |
| Madison current Max w/ Longevity    | \$155,338 | \$128,831 | -         | -         | -         | -         |
| Madison proposed Max (no Longevity) | \$155,338 | -         | \$141,308 | \$141,308 | \$134,826 | \$141,308 |

\*Source: APTA Compensation Database, 2020

As you can see in this data, the salary change that is being proposed would still result in the **maximum** salary at Metro being below the **average** salary of our peers for most of the positions, but the gap would be narrowed. This will allow us to be competitive in recruiting people who currently report directly to a chief in another city but have substantial experience and are ready for a step up.

Internally, the changes will place Metro Unit Chiefs in line with their peers across the city, managing similarly sized or larger staff and projects as others in these classifications, such as Streets Superintendent and Fleet Services Superintendent.

## **Conclusion**

Metro is requesting that the Common Council approve the recreation of the positions highlighted above to support the major programmatic initiatives and changes planned for Metro. Based on both internal and external salary comps to the City of Madison, Metro feels confident that placing the Unit Chief positions in Comp Group 21 is both reasonable and justified. The total annual salary impact would be a maximum of \$137,875, but this would be more than offset by savings on consultant fees and project delays. Also, by leveraging administrative funds from grants, Metro would not need to request additional City subsidies to support this change. Finally, with many unfilled positions this year, a 2022 budget amendment is not necessary.

Therefore, Metro asks for your support in making this change. The necessary resolutions have been prepared to implement these recommendations.

### **Editor's Note:**

| Compensation Group/Range | 2021 Annual Minimum (Step 1) | 2021 Annual Maximum (Step 5) | 2021 Annual Maximum (+12% longevity) |
|--------------------------|------------------------------|------------------------------|--------------------------------------|
| 44/10                    | \$ 72,232                    | \$ 86,918                    | \$ 97,348                            |
| 44/16                    | \$ 95,452                    | \$ 115,027                   | \$ 128,831                           |
| 21/17                    | \$ 99,871                    | \$ 134,826                   | n/a                                  |
| 21/18                    | \$ 104,672                   | \$ 141,308                   | n/a                                  |

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