

MINUTES
ADMINISTRATION COMMITTEE
March 31, 2005

The Board's Administration Committee (hereinafter referred to as "Committee") convened at 11:45 am, March 31, 2005. Present were:

COMMITTEE MEMBERS

Charles Deegan, Chairman
Catherine Hudgins, Vice-Chairman
Dana Kauffman
Marcell Solomon
Gordon Linton
Dan Tangherlini

OTHER BOARD MEMBERS

Gladys Mack
Robert Smith

I. Agenda:

A motion was made, seconded and approved to amend the agenda to place the action item involving the PARP and Privacy Act on the next agenda of the Administration Committee agenda.

II. Information Item

Update on WMATA Salary and Wage Administration

Staff presented an update to the Board on salary and wage administration and measures taken to manage growth and maintain market alignment. Staff indicated that as part of WMATA's cost containment efforts, WMATA executive leadership met throughout late CY2003 to review a number of cost containment issues and that a salary survey was initiated, to include jurisdictions and top transit properties, to assess where WMATA stood in terms of salary growth and market competitiveness. Staff reported that surveys were conducted of both local jurisdictions and large comparable transit properties which indicated that WMATA was not the leader in any category where employees made \$100,000⁺. Staff indicated that the most significant comparison is to other transits' salaried workforces as they are in the same business and have similar demographics. Staff reported that WMATA is third highest and is only slightly higher than two others and noted that the average tenure for WMATA employees at \$100,000⁺ is 15 years. Staff noted that as a result of the WMATA management review in late CY2003, a number of changes were identified to help slow down the rate of salary growth. These changes included: (1) salary ranges with \$90,000 potential are reviewed bi-annually instead of annually, (2) promotional salary increases were reduced, (3) reclassification salary increases were reduced, and (4) supervisor compression adjustment rate was reduced. Staff reported that WMATA salary increases were reduced to an average 2.7% for the last three fiscal years and that this is well below the jurisdictions' 4.4% three-year average. Staff noted that for the two prior years and the projected FY06 WMATA average will be 1.8% noting that the FY05 increase of 1.5% was too low to execute pay for performance. Staff also reported that salary range adjustments have been held

constant since July 2002 and that no other jurisdiction has gone as long as WMATA without a range adjustments.

Staff also reported on the earnings of the hourly represented employees of \$100,000+. Major contributors earnings above base pay is overtime. Three reasons contributing to overtime are (1) Insufficient staff in certain operating jobs primarily due to job vacancies; (2) Provision of unanticipated service, e.g., charter and special event service; and (3) the need to fill runs at overtime rate due to absences (scheduled or unscheduled). Subsequent to the recent APTA Peer Review process, WMATA underwent an analysis of the management rights authority contained in our labor contract and identified other substantive contract provisions governing overtime wage administration issues. Staff indicated that overtime in FY2000 was \$20.4 million and fell to \$16.2 million in FY2004 which shows a clear decline over the period. Staff described the next steps as conducting an industry safety survey; developing a specific proposal for a cap on overtime hours per week; negotiating changes in the collective bargaining agreement designed to address the APTA Peer Review recommendations, continuing and enhancing organizational efforts to reduce vacancy levels that drive overtime costs; and continuing and enhancing organizational efforts to control excused and unexcused absences that drive overtime costs.

Several board members raised questions and requested further information on the salary and wage information which staff is researching and will provide to the Board before the next committee meeting.

The meeting adjourned at 1:00 pm.