

DENVER REGIONAL COUNCIL OF GOVERNMENTS

Regional Transportation District Accountability Committee

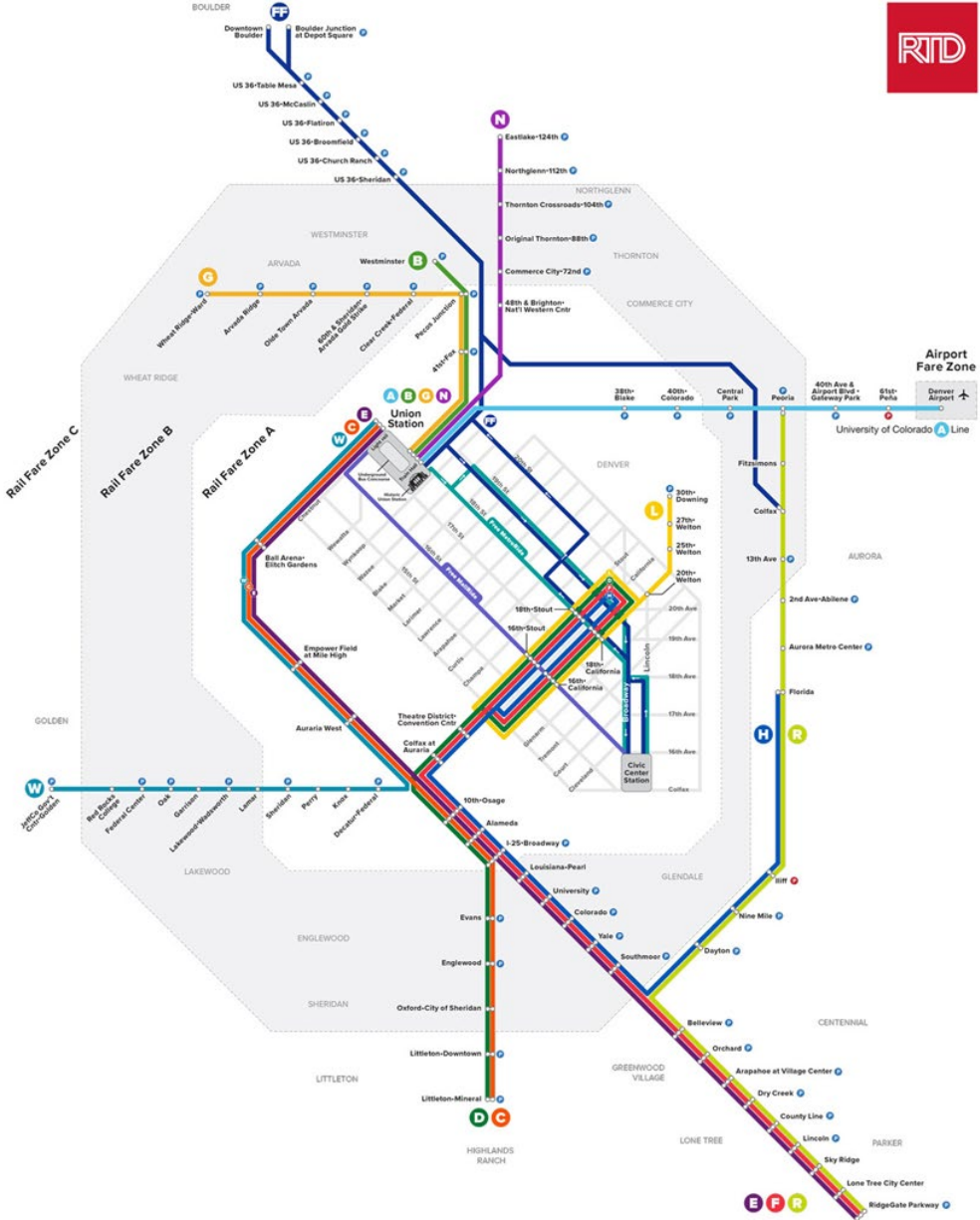
February 17, 2021

NORTH
HIGHLAND



AGENDA

3	Introductions
4	Approach
6	Key Findings & Exploration
14	Questions



INTRODUCTIONS



Anna Danegger
Vice President

Anna.Danegger@NorthHighland.com



Tanya Eydelman
Consultant

Tanya.Eydelman@NorthHighland.com



Derek Pender
Consultant

Derek.Pender@NorthHighland.com

ADMINISTRATIVE OVERHEAD REVIEW APPROACH

Discover

- Request financial documentation of RTD employee data, including employees by department and median base income, and RTD organizational charts
- Gather National Transit Database (NTD) information relevant to the requested scope, including RTD and peer transit organization data

Analyze

- Analyze RTD employee data, classifying roles as administrative or operational
- Compile administrative vs. operational ratios and high-level compensation comparison for RTD and peer transit organizations
- Conduct analysis of service levels, including a comparison to peer agencies

Validate

- Conduct joint review of RTD employee data and NTD database to ensure alignment and validity
- Confirm findings with North Highland transit and workforce planning subject-matter experts

Summarize

- Document key findings, themes, approach, and opportunities
- Review key findings with RTD Accountability Committee

KEY TERMS

The following key terms are based on National Transit Database (“NTD”) definitions

Administrative Staff (NTD term: “General Administration”): All activities associated with the general administration of the transit agency, including:

- *Transit service development*
- *Injuries and damages*
- *Safety*
- *Personnel administration*
- *Legal services*
- *Insurance*
- *Data processing*
- *Finance and accounting*
- *Purchasing and stores*
- *Engineering*
- *Real estate management*
- *Office management and services*
- *Customer services*
- *Promotions*
- *Market research*
- *Planning*

Operational Staff (NTD term: “Operating Labor”): The employees engaged in the operation of the transit system.

Salaries and wages (NTD term): Excludes fringe benefits and paid time off.



ADMINISTRATIVE OVERHEAD REVIEW FINDINGS

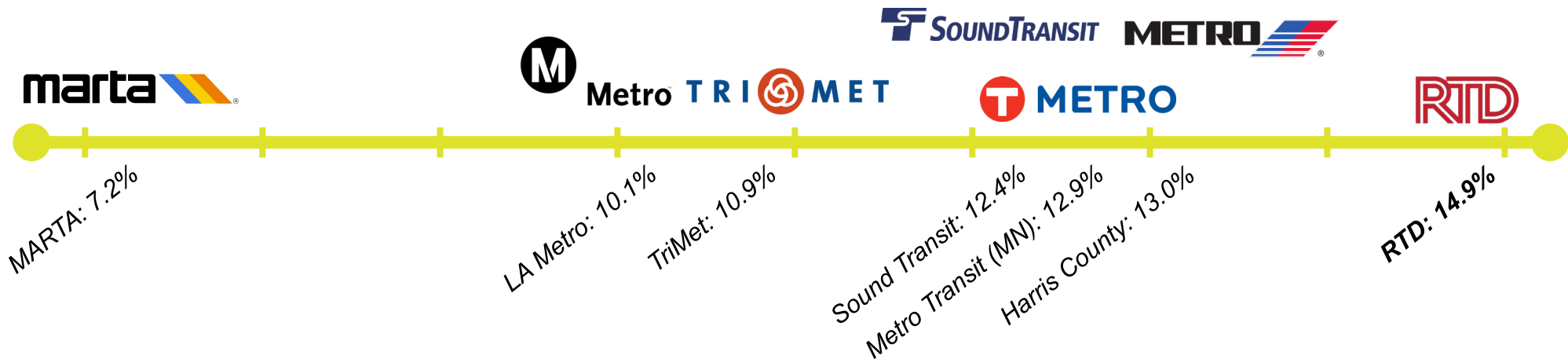
1. Select Peer Agencies range from 7.2 to 14.9 percent administrative personnel with two of six being within the 10% range and three of six being in the 12-13% range. RTD appears to be on the higher end of administrative staff as a percentage of total staff
2. Adjusted for cost of living, RTD average salary and wages per administrative employee appears to be higher than most peer agencies
3. RTD total administrative salary and wages as a percentage of total operational expenses appears to be on par with peer comparisons

FINDING #1

1.

Select Peer Agencies range from 7.2 to 14.9 percent administrative personnel with two of six being within the 10% range and three of six being in the 12-13% range. RTD appears to be on the higher end of administrative staff as a percentage of total staff

Administrative Staff as a Percentage of Total Employees



FINDING #1: POSSIBLE RATIONALE

1.

Select Peer Agencies range from 7.2 to 14.9 percent administrative personnel with two of six being within the 10% range and three of six being in the 12-13% range. RTD appears to be on the higher end of administrative staff as a percentage of total staff

Rationale for this difference in administrative staffing may include:



RTD Serves the Greatest Number of Square Miles



RTD Provides More Service than Peer Agencies to a Smaller Population



Economies of Scale May Influence Transit Administrative to Operational Staffing



Personnel Count Does Not Equate to Spend or Efficiency as Organizations can have Different Approaches to Using Outsourced Support

FINDING #2

2.

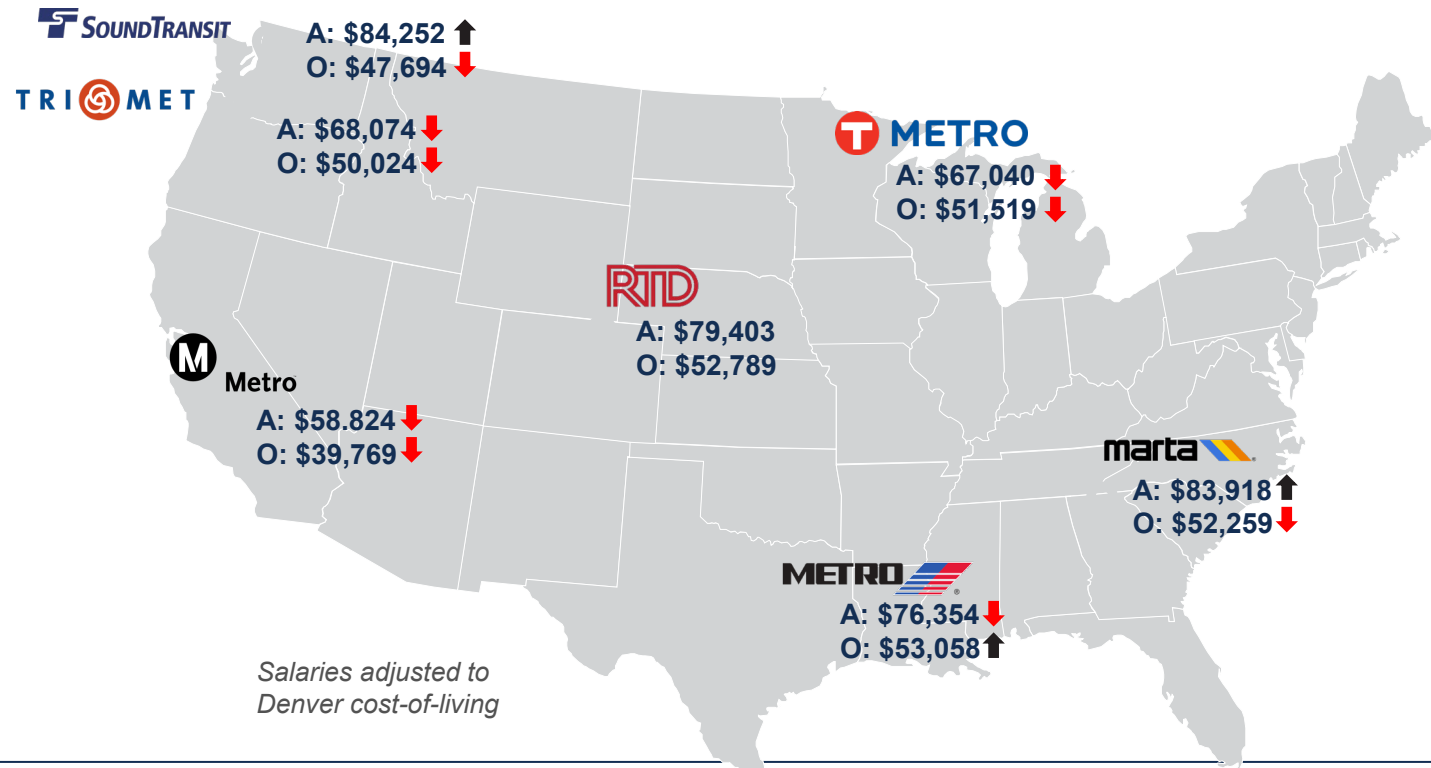
Adjusted for cost of living, RTD average salary and wages per administrative employee appears to be higher than most peer agencies

\$79,403

average salary & wages per RTD administrative employee

\$52,789

average salary & wages per RTD operational employee



FINDING #2: POSSIBLE RATIONALE

2.

Adjusted for cost of living, RTD average salary and wages per administrative employee appears to be higher than most peer agencies

A few notes on this finding:



NTD Definition of Salaries and Wages

- Excludes fringe benefits and paid time off



Analysis is an Average of Total Salaries and Wages, Not Individual Positions

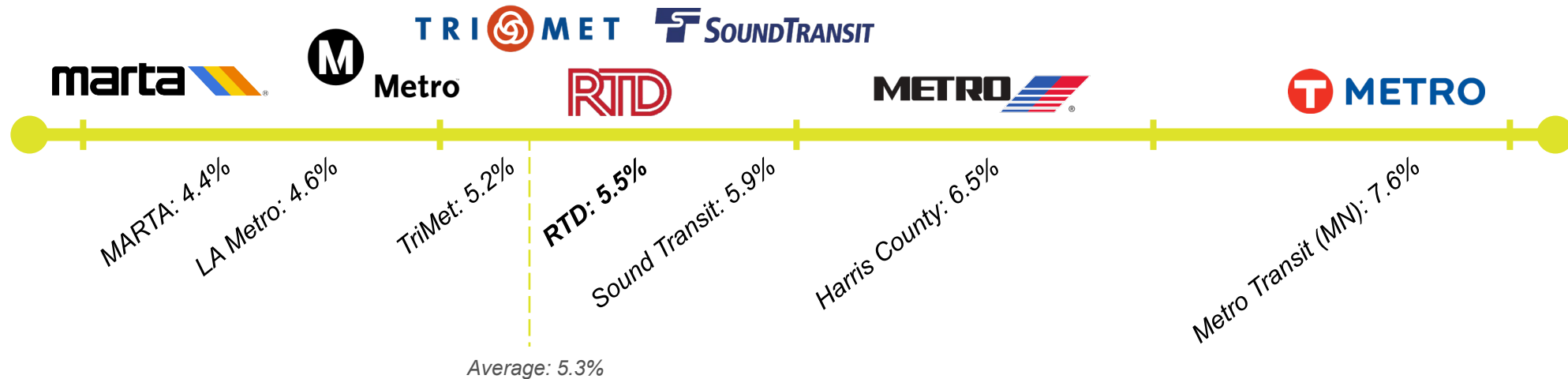
- High-end salaries for certain roles can dramatically impact average salary

FINDING #3

3.

RTD total administrative salary and wages as a percentage of total operational expenses appears to be on par with peer comparisons

Administrative Staff as a Percentage of Total Operating Expenses



FINDING #3: POSSIBLE RATIONALE

3.

RTD total administrative salary and wages as a percentage of total operational expenses appears to be on par with peer comparisons

A few notes on this finding:



Contracted Services Can Impact Administration Ratios

- Certain roles are contracted out at an administrative level



Unable to Review Contracted Employees

- NTD data does not provide a lens to analyze compensation for contracted roles

LOOKING FORWARD

NTD comparisons provide a high-level lens for our findings. Additional review may be required to justify compensation or staffing adjustments:

Re-Evaluate Peer Comparisons Once 2020 NTD Data is Published

Conduct a More Extensive Compensation Assessment

Conduct Time Studies and Other Structural Assessment

Evaluate the Effectiveness of Contract vs. Personnel Expenses



QUESTIONS