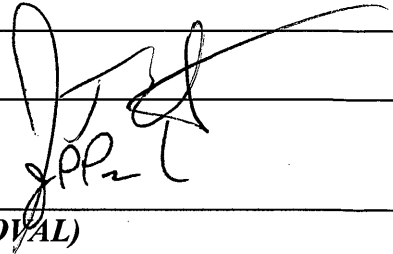


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## Alameda Corridor Transportation Authority

June 8, 2017

<b>To:</b>	Governing Board	
<b>From:</b>	John T. Doherty, Chief Executive Officer James P. Preusch, Chief Financial Officer	
<b>Subject:</b>	<i>Special ACTA Salary Adjustment (APPROVAL)</i>	

**Recommendation:**

Authorize special salary adjustments for six ACTA employees in the total approximate amount of \$34,000 and the additional associated benefits of approximately \$15,000 to account for consolidation of functions, experience, and improved alignment within job classification salary ranges.

**Discussion:**

As discussed with the Board at its April meeting, the FY18 budget contains a 3% salary adjustment for ACTA staff for both cost of living (COL) and merit increases. COL adjustment alone is expected this year to be about 2.7%. In addition to that 3% adjustment, it is recommended that the Board approve a salary adjustment for six ACTA staff positions totaling approximately \$34,000 and associated benefits of approximately \$15,000.

There was significant staff reduction over the past several years, due in large part to budget reduction efforts to mitigate potential Port Shortfall Advances. The potential for advances was driven by significantly declined port container volumes and resultant ACTA revenue decrease caused by the recession and other discretionary volume shift factors.

The ACTA staff reductions were accomplished by eliminating titles, consolidating functions, and attrition. In 2013 alone, approximately \$1.2 million in ACTA budget reductions were achieved by eliminating four ACTA positions, two Alameda Corridor Engineering Team (ACET) support positions, and one other ACTA consultant support position. The result was a lean but highly experienced and effective workforce. However, appropriate salary adjustments were not made at that time to account for the consolidation of duties and functions due to the same budgetary pressure environment. At that time ACTA was, in fact, in the middle of a four-year salary freeze FY11-FY14.



By mid-2016, budgetary pressures were significantly reduced by a major ACTA bond refinancing and improving port volume. Accordingly, it is requested that equitable salary adjustments be made at this time.

It should be noted that, excluding the CEO and CFO, there are only eight ACTA staff members managing day-to-day operations, including the management of the maintenance of the Corridor; the collection, verification, and disbursement of approximately \$100 million in revenue; and the management support of the Caltrans SR-47 Project.

Process

To compute the recommended adjustments, the CEO and CFO carefully reanalyzed the functions of staff relative to the appropriate salary ranges currently in effect for LA City, which has been ACTA's historic salary range benchmark. The functions and experience of each employee were then considered in arriving at the new proposed base salary. The average seniority at ACTA of staff is 13 years and placement of the individuals at no less than 85% of the range maximum was warranted. The analysis resulted in a recommendation for adjustments for six of ACTA's eight non-senior positions as shown on the attached table. The other two position salaries were determined to be appropriate. Also attached is a description of the six positions to receive the adjustment, including the term of employment of the incumbent.

**Budget Impact:**

The proposed FY18 Budget, as reviewed by the Board at its April meeting and contained in the budget approval item of this same date, contains a 3% salary adjustment (most all of which is cost-of-living) for the nine positions other than the CEO (or approximately \$32,000 in salary and \$15,000 in benefits). The recommended additional special salary adjustment for the six positions is approximately \$34,000 with the cost of associated benefits of approximately \$15,000. If approved, the special adjustment will be amended into the FY18 Budget to be considered by the Board on this date, and represents an increase of approximately one-half of one percent of the ACTA Administrative Budget for FY18.