


M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: December 14, 2023

From: Michael C. Leue, Chief Executive Officer 

Subject: APPROVE Resolution No. JPA 23-7 for the appointment of a Chief Operating Officer (COO) of the Alameda Corridor Transportation Authority, effective December 18, 2023, and approve the COO's compensation package

Recommendation:

Approve Resolution No. JPA 23-7 for the appointment of a Chief Operating Officer (COO) of the Alameda Corridor Transportation Authority, effective December 18, 2023 and, after discussion in Open Session, approve the COO's salary and compensation package.

Discussion:

The ACTA Governing Board directed ACTA's CEO and CFO to evaluate modifying the Authority's structure and resources to reflect the current needs and function of the Authority. An Ad Hoc Committee for ACTA Reorganization was formed by the Governing Board on September 15, 2022. The Ad Hoc Committee members comprise Duane Kenagy, Tony Gioiello and Michael Cano.

ACTA's CEO and CFO met with the Ad Hoc Committee on February 8, 2023, to present their analysis of ACTA's operations and discuss alternative organizational solutions. The proposed reorganization was presented to the Governing Board on April 16, 2023 with a key element of the plan being to add the position of COO. The Operating Budget for Fiscal Year 2023/2024 included the salary for a COO, which was approved by the Governing Board on June 1, 2023.

ACTA contracted with Shey-Harding Executive Search to perform recruitment services for filling the COO position. Selection of Shey-Harding was done through a competitive selection process where 12 firms currently under contract to either POLB or POLA were evaluated and three were asked to provide written proposals for review. Based on their evaluation of the written proposals by the CEO and CFO, they selected Shey-Harding and using his delegated contracting authority, the CEO executed a professional services agreement between ACTA and Shey-Harding for the COO recruitment services.

The executive search involved advertising the position through Shey-Harding's job board, on the POLA and POLB websites, on LinkedIn and through direct outreach to industry leaders and candidates referenced by those leaders. The extensive job requirements include a Bachelor's degree, 15 years of directly relevant experience including 7 years of management experience, and a Professional Engineers license or Construction Management certificate or Class I railroad leadership. The job bulletin was also sent to each of ACTA's Governing Board members. Shey-Harding was instructed to make asserted efforts to ensure diversity in their outreach. Shey-Harding's nationwide search included contact with over 50 professionals of varying ethnic backgrounds, including a dozen women who are leaders in the industry.

An evaluation team was assembled, comprised of Duane Kenagy, Michael Leue, and Kevin Scott. Susan Dvonch of Shey-Harding performed an evaluation of the candidate pool to identify a group that met the COO job qualifications and were willing to submit an application when the selection occurred. The evaluation team reviewed the whole candidate list and selected the top four candidates to be interviewed. Interviews were conducted by the evaluation team with Susan Dvonch of Shey-Harding observing. The interviews were consistent in duration, the same list of questions was asked of each finalist and evaluators scored answers to each question. Each of the four finalists were exceptionally well qualified and offered diverse backgrounds. The score-based selection of the preferred candidate was unanimous by the evaluation team.

After conducting the interviews, the four finalists filled out an application, which included their desired salary. The Governing Board had approved the ACTA Officer and Employee Publicly Available Pay Schedule for FY24 on June 1, 2023, which listed the COO position salary range to be from \$196,549 to 292,745. Subsequently, the CEO and CFO evaluated the market and the balance of internal ACTA salaries. Based on all of the above and seeking compensation commensurate with the candidate's experience and alignment of qualifications to this position, the evaluation team suggested a target salary and benefits for Shey-Harding to negotiate an offer package with the preferred candidate and to verify credentials through background checks and references. At this time, the CEO recommends that the Governing Board approve the selection of the preferred candidate for appointment as ACTA's COO. A proposed compensation and benefits package will be discussed in open session during the December 14, 2023 Governing Board meeting.

Budget Impact:

The appointment of the COO will not impact ACTA's Operating Budget because the position and funding was included in the Board-approved FY24 budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the Resolution as to form.

Transmittals:

Transmittal 1 – Resolution JPA 23-7