

REPORT OFFICE CEO

A weekly report
from the office
of the CEO

May 1, 1995



The latest rumor to hit the agency is that the layoffs are voluntary; unfortunately that is not true.

This week, 234 employees will receive notification of layoff as a result of the elimination of 569 positions. While the majority of the layoffs will occur within Operations, there will be some in Planning and Programming.

There are some other opportunities those affected may wish to consider: We will be hiring 43 people in newly created positions, including custodians on the Blue Line (the service was previously contracted out); train operators for Segment 2 of the Red Line; and transit operations supervisors for quality service on the bus side. Please see Human Resources for further information.

Why in Operations?

Some of you want to know why most of the layoffs are in the Operations unit. Here's the reason: in 1993, at the time of merger, we cut nearly 20 percent of our administrative positions. Last year, Operations was cut approximately 3% with additional cuts in other areas. Since 85 percent of our staff is in Operations, it necessarily will have the largest component of a position reduction.

Why Only ATU?

Others of you want to know why the UTU has no layoffs. The attrition rate among MTA bus operators, represented by UTU, is traditionally very high, averaging about 20 people a month. With some UTU positions already vacant, UTU layoffs will not be necessary. The ATU's situation is much different. Attrition is much lower, averaging only four people a month.

About the Severance Package

Non-contract employees only will receive anywhere from two weeks to six months of severance pay, depending on length of service. This is the same severance package as was used last year. Employees close to retirement may elect to take a retirement credit in lieu of a severance payment. The severance package is expected to cost the agency about \$2 million. Represented employees are laid off in accordance with their unions' contracts.

When Will the Layoffs Occur?

ATU and non-contract employees will be notified in mid-May. TCU employees will be notified in early June. The precise dates are dependent upon contract provisions for union jobs and administrative coordination for non-contract positions.

A Footnote

I know many of you and your families are undergoing a lot of stress and anxiety as we go through this most painful period. We have kept in close touch with counselors from our Employee Assistance Program, and they are standing by to help. Please call them at 1-800-221-0945. All calls are confidential.

Arthur Andersen Report

As you probably heard, a report commissioned by the MTA Board last August to analyze our construction division's organization and performance calls for increased oversight by our construction staff of our design and construction management consultants.

The report conducted by the accounting firm, Arthur Andersen & Co., found oversight needed to be strengthened in most of 16 subject areas it examined. The recommendations included:

- Add new personnel to the Construction Unit.
- The MTA's hiring process must be streamlined.
- The new executive officer for construction must restore team spirit within the construction unit, instill shared values of the unit's oversight role and encourage all to fix the problem rather than fix the blame.
- The MTA Board must demonstrate trust and support of the Construction Unit.
- The new EOC and staff must establish a healthy skepticism toward EMC and CM, and clearly define services expected from them.
- The new EOC must restore strong emphasis on controlling the cost of projects.

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- MTA management must show the Board, staff and consultants a willingness to have a true and complete cost picture of each project at any time.
- MTA management must support quality and safety as a priority, even over schedule and costs.

Prompt Implementation

We will begin implementing the report's recommendations promptly. I intend to announce a new executive officer for construction very soon. Then, we will submit an implementation plan to the Board after the new construction head is on board. A task force will monitor our progress. Our focus will not be on making personnel changes, but on adding staff so the construction unit can exercise the proper level of oversight over our consultants and contractors.

We've already taken some of the steps recommended in the report:

- We abolished the RCC and brought our construction unit into the MTA.
- We began to assume more duties from our consultants.
- We began to hire more construction staff.
- We have already seen positive results:
 - FTA funding for Segment 3 was restored.
 - We restarted tunneling in Hollywood, and it has been incident-free except for one brief pause.
 - We began tunneling in North Hollywood with a very conservative approach.
 - We awarded contracts for the Universal City to Hollywood tunnel, Hollywood to Highland Station, and will soon award contracts for the North Hollywood station and the Universal City station.

The Andersen report was presented to the full MTA Board last week.

Child Care Survey

As you've heard, there will be a child care center located in the new Gateway headquarters building. Employees who may be interested in taking advantage of it should fill out the survey dated April 28 that came from Human Resources.

The survey's results will determine how the agency will operate the Center, and we will make decisions based on your answers. The last time we conducted such a survey was in 1990 with then-RTD employees, so obviously, the responses need to be updated.

Please return the answer sheet no later than Friday, May 5. If you have any questions, please call Human Resources at ext. 2-7161. That department will be administering the child care program.

Health Fair Dates

Employees in the 818 Building can look forward to a health fair on May 10 from 10 a.m. to 2 p.m. in the Union

Station Room. There will be free blood pressure, body fat and glucose testing, glaucoma readings, and even a stress test.

The health fair moves to the 425 Building the following day. It will be held in the cafeteria from 10 a.m. - 2 p.m.

Workers Compensation Statistics

We presented good news to the Board recently with regard to workers' compensation costs.

- Between FY 92 and FY 94, there was a 41% reduction in reserves for new claims for the current year.
- A 27% reduction in total cost, a \$6 million cost reduction, which included a \$1.5 million increase to the Transit Police Association cost.
- An 11.5% reduction in new claims reported for the current year.

An increase in fraud investigation, expanded workers compensation staff at specific high profile divisions, and safety training have all contributed to a reduced frequency rate.

The Risk Management Department, under Barbara Anderson, is continuing to design and apply programs that improve claims processing and prevent industrial injuries.

Roadeo Coming Up!

Mark the date of Saturday, June 10 for the annual joint MTA Bus/Maintenance Roadeo at the Santa Anita Racetrack parking lot. It will take place between 7 a.m. and 2 p.m. inside of Gate 1 off of Huntington Drive. The preliminary competition for operators will be held May 31 - June 3, and Roadeo organizer and acting chief administrative analyst Maria Reynolds says she's looking for lots of volunteers to judge the individual events. Give Maria a call at ext. 2-4428. MTA's bus winner will compete in the international tourney in San Antonio, Texas on Oct. 10.

Steve Mullaly at ext. 2-5159 is the coordinator of the maintenance competition. The internationals will be held in Atlanta in mid-summer.

And, for the first time ever, MTA will feature a Rail Roadeo. Organized by Rail TOS Gerald Harper, the event will be held on May 20 at Division 11 (Blue Line yard) and will feature operators competing in precision, stopping, and timing events.

—Franklin White

I welcome your comments and questions in response to CEO Report, which is designed to provide employees with direct communication with my office. Please contact either of my Special Assistants, Michael Gonzalez at 244-7476, or Phyllis Tucker at 244-6191. Also, employees can fax comments to 244-6014.

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