

CEO REPORT

Joseph E. Drew
MTA Chief Executive Officer

January 29, 1996

Thank you for making me feel so welcome and for the trust you have shown me. I'm confident that we can make progress on the many issues we face, and continue to improve the MTA. I pledge all of my skill and energy to work with you, constructively, carefully, and with a high sense of urgency.

Over the last week, I've made some key organizational changes that will enable us to do business and communicate more effectively. I've established an internal communications unit, under the direction of Phyllis Tucker, to

have the lead on several new initiatives. For instance, you will soon see a magazine with feature stories about employees, an awards program that touts on-the-job achievements of employees, and a suggestion program that has been the popular mainstay of many companies.

I'll continue to demand that every MTA employee having supervisory responsibility think first as a leader; act like a leader, and be held accountable for his or her ability as a leader.

Emphasize Internal Communications

In addition, I plan to continue the *CEO Report*, which is the cornerstone of the internal communications program. Interestingly, the publication was recently honored with an award for communication excellence from the Los Angeles chapter of the prestigious organization, The International Association of Business Communicators. Please submit issues you'd like me to address in future *CEO Reports* to the internal communications office on the 25th floor. I promise a quick response.

Stress Leadership Over Management

Here are some personal thoughts as I begin to tackle the complexities of the agency:

We are a large labor-intensive organization. We do many things well. Critical to maximizing our potential is leadership. I believe we must lead our people, not manage

them. We will manage our programs and projects, but it is critical that the organization be led. We all react positively to good leadership.

I'll continue to demand that every MTA employee having supervisory responsibility think first as a leader; act like a leader, and be held accountable for his or her ability as a leader. Where management is the essential task, I will also demand good management.

Understand and Satisfy Our Customers

We have many customers. They vary, depending on the activity. Our priority customers are our passengers. But each of our internal units have their own unique customers. For instance, the customer for our construction division is the operator, and the customer of our payroll unit is our employee. We must aggressively work to ensure that each employee knows who his or her customer is, and sets as a first priority that customer's satisfaction. I believe an uncompromising attitude about this will boost morale significantly.

Linda Bohlinger is New Deputy CEO

In other news, I've appointed Linda Bohlinger as the new acting deputy chief executive officer. Since August she has served as executive officer for planning and programming, and previously was the deputy executive officer of capital planning where she was responsible for directing rail transit, bus and highway capital planning, programming, grants management, benefit assessment district programs and long-range financial planning activities.

Pat McLaughlin will take Linda's place as acting executive officer, planning and programming; and Jim de la Loza steps up to the position of acting deputy executive officer, multimodal planning.

Kim Kimball is New CAO

Also, I've made more changes that will save the agency more than \$217,600 annually. I've dissolved the department of strategic projects. Kim Kimball, who had been executive officer of strategic projects, will assume the role of chief administrative officer. Information and technology services and organization planning/development, formerly within strategic projects, will shift to the administrative office.

Michael Gonzalez leaves the position of deputy chief executive officer, strategic projects, and assumes the role of deputy executive officer in the construction department.

Rae James is New Executive Officer, Communications

External Affairs has been renamed MTA Communications. Overseeing the team is executive officer Rae James, who brings to the agency more than 20 years of aggressive, high-energy experience in public service. Rae was most recently deputy mayor under Mayor Richard Riordan, and before that, a legislative analyst for the city council of Los Angeles. Rae believes as I do that our toughest test is in the way we respond to concerns and complaints from the vast community we serve. I believe she will accomplish our mission with skill and with the full expectation that when problems arise that impact our communities, we will be relentless and positive in our effort to resolve them.

Reporting to Rae will also be the new internal communications unit, which I mentioned previously.

Anthony Padilla Is New Auditor

Perhaps our most continuously pressing challenge is to develop better, more consistent and respected business practices. On that note, I've named Anthony Padilla as our new director of internal audits. He will report directly to me and be responsible for directing our audit function, including completing financial and operational audits of construction, professional services, and other MTA contracts.

Since March of last year, Padilla served as vice president for risk assessment at First Fidelity Thrift Association in Irvine. In the six years prior to that, Padilla was employed in several capacities with FDIC/Resolution Trust Corporation in Newport Beach. His most recent responsibilities included enforcing employee and contractor ethics regulations, conducting training for more than 700 employees, reviewing contractor and subcontractor compliance to ethics standards, and performing on-site verification of contractor records and activities.

More New Appointments

Steve Polechronis is the new Segment Two Project manager for the Metro Red Line. He comes to us from Fluor Daniel where he worked as the project director responsible for oversight of MTA rail projects. With more than 10 years experience in transit project management, Steve has directed light rail, heavy rail, and commuter rail.

Also, Ray Inge is the new director of human resources, replacing Frank Montalvo who resigned. Inge was previously the agency's assistant director of employment. Before that, he was the area recruitment manager at Kaiser Permanente's Bellflower medical facility. He holds a master's degree in management from the University of Redlands.

Raman Raj is the new director of employee relations, overseeing labor relations, pension and benefits, and for the time being, compensation matters. Raj previously served as MTA's assistant director of pension, benefits and compensation, and before that, was the director of compensation and HRIS for Kaiser Permanente. He also directed compensation and benefits departments for the Nichols Institute and Flying Tigers Line in southern California.

About Me

A little bit about me—prior to joining the MTA, I was the chief administrative officer for Kern County for four years. Before that, I served as director of airports for Kern County for two years, and the county's director of personnel for

seven years. I hold bachelor's and master's degrees, and in 1989 completed the program for senior executives in state and local government at the JFK School of Government at Harvard University.

I also served in the U.S. Army, retiring in 1981 as a lieutenant colonel. During my military career I served two years of combat duty in Vietnam as a helicopter pilot, logging more than 1,000 combat hours in attack helicopters and earning two Purple Hearts, two Distinguished Flying Crosses, three Bronze Stars and 30 Air Medals.

Compensation Program Reviewed

The new classification system and salary structures of the compensation program designed for non-represented employees have been in place for a year. It's essential that the program be reviewed often to make sure it's meeting the compensation goals of the MTA. Recognizing that many changes have occurred in the agency, an audit of the program is now necessary.

Job evaluation committees comprised of deputy executive officers and human resources staff are presently ensuring that all non-represented jobs have been appropriately evaluated, employing a point factor method which I endorse. The study is being assisted by the Hay Group, and at the conclusion of this process, a salary survey will be conducted to ensure our competitiveness in the market.

Beware of Pyramid Scheme

One MTA employee was recently terminated, another given a 30-day suspension, because of their participation at work in a classic pyramid scheme—this one called "Friends Helping Friends." They reportedly encouraged their colleagues to give them money for which they were promised a huge return if they signed up additional people. An endless chain such as this is against the law! The inspector general's office continues to look into the matter; the Los Angeles District Attorney's office has already filed felony charges in connection with the one employee. Please be smart for yourselves.

Still Hopeful About Retirement

MTA officials have been back in Washington, D.C., several times this past month negotiating with the Internal Revenue Service on a solution of the Social Security issue, which is necessary to finally resolve the issues related to our retirement system. The entire team is working hard, and coordinating with our bargaining units, to find the best solution. I will keep you informed.

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Finally, if you have questions, please don't hesitate to get in touch with Phyllis Tucker at extension 27412. In her new capacity, she will help keep your needs and concerns visible. To quote a contemporary author, Steven Covey: "the main thing is to keep the main thing the main thing." With your assistance, I will always attempt to do just that.

—Joe Drew

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