

**MOTION:**

**SECOND:**

**RE:                    IMPLEMENTATION OF THE REDUCTION-IN-FORCE POLICY FOR THE  
DISPATCH UNIT AND APPROVAL OF SEVERANCE PACKAGE FOR AFFECTED  
EMPLOYEES**

**ACTION:**

**WHEREAS,** the Potomac and Rappahannock Transportation Commission ("PRTC" or "Commission") approved the Executive Director's Vision 2020: Post 100-Day Plan ("Plan") on October 5, 2017 which addresses seven focus areas including a new staffing structure; and

**WHEREAS,** the Executive Director's presentation "Economics of Transit: Operational Staffing" presented to the Commission at its February 7, 2019 meeting identified the overstaffing of the dispatch function, similar work efforts and the inefficient separation of duties in the dispatch office between PRTC and First Transit contract employees; and

**WHEREAS,** the Executive Director's presentation recommends balancing dispatch personnel volume with service levels and establishing a target of 50+ buses per dispatch personnel; and

**WHEREAS,** the Executive Director recommends First Transit assume responsibility of all dispatch functions thereby creating an improved management structure, an operation with unified employment standards, and an operation in which fewer dispatch personnel are required; and

**WHEREAS,** the Executive Director has identified approximately \$500,000 in savings annually by transferring the responsibility of the dispatch functions to First Transit; and

**WHEREAS,** the Commission, at its February 7, 2019 meeting, directed the Executive Director to initiate the process for a formal Reduction-in-Force to include preparing a severance package for affected employees, initiating the services of an employment recruiter and preparing a contract amendment with First Transit consistent with the Executive Director's recommendations to be presented to the Commission at its March 7, 2019 meeting; and

**WHEREAS,** the Executive Director recommends the Commission reduce or eliminate seven (7) full time Dispatcher positions and one (1) full time Dispatch Manager position, resulting in the reduction or lay-off of PRTC employees; and

**ITEM 12-B**

**March 7, 2019**

**PRTC Regular Meeting**

**Page Two**

**WHEREAS**, the Executor Director recommends that the Commission authorize the Executive Director and his staff to initiate the staff reduction-in-force policy set forth in Section 21 of the PRTC Personnel Policy for the following positions that are recommended for elimination effective May 3, 2019:

<u>POSITION TITLE</u>	<u>GRADE</u>
Filled:	
3-Dispatchers (FTE)	O
Vacant:	
4- Dispatchers	O
1- Dispatch Manager	R

**WHEREAS**, the Executive Director shall follow personnel policy and legal guidance in the process of implementing the reduction-in-force policy; and

**WHEREAS**, the Executive Director recommends that those employees affected by the reduction-in-force shall be provided a severance package which includes severance pay (at their current salary rate) for 25 days (five (5) weeks) from their last day of employment, medical, dental and vision benefits to remain in effect through July 31, 2019 and pro-rated bonus incentive earnings (calculated from July 2018 to May 2019 ) in addition to the other benefits outlined in the reduction-in-force policy set forth in Section 21 of the PRTC Personnel Policy.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission has considered the recommendations of the Executive Director and approves the initiation of the Reduction-In-Force in accordance with applicable policy and the elimination of the above positions.

**BE IT FURTHER RESOLVED** that the affected employees will receive a severance package which includes severance pay (at their current salary rate) for 25 days (five (5) weeks) from their last day of employment, medical, dental and vision benefits to remain in effect through July 31, 2019, and pro-rated bonus incentive earnings.

**Votes:**

**Ayes:**

**Nays:**

**Abstain:**

**Absent from Vote:**

**Alternate Present Not Voting:**

**Absent from Meeting:**





March 7, 2019

TO: Chairman Anderson and PRTC Commissioners

FROM: Robert A. Schneider, PhD  
Executive Director

A handwritten signature in black ink, appearing to read "R. Schneider", is placed next to the name and title of the sender.

RE: Implementation of the Reduction-In-Force Policy for the Dispatch Unit and  
Approval of Severance Package for Affected Employees

---

Recommendation:

Implement the Reduction-in-Force policy for the dispatch unit as recommended at the February 7, 2019 Commission meeting and approve the severance package as recommended by the Executive Committee, in accordance with PRTC personnel policy, on February 27, 2019. The effective date of the Reduction-in-Force is May 3, 2019.

Background: Reduction-In-Force

Between 2015 and 2017, the organization saw a fiscal crisis that required a \$30M commitment from Prince William County with consecutive years of fare increases and service reductions (as much as \$1.7M) to balance the budget. This included a \$250,000 annual contribution from the City of Manassas general fund with on-going concerns of fiscal stability from all participating jurisdictions.

With my arrival in April 2017, I was tasked with an economic analysis of the organization. I performed a review of personnel structures and cost models and presented the Vision 2020: Post 100-Day Plan ("Plan") at the October 5, 2017 Board meeting, which the Commission adopted. The Plan addresses seven focus areas, including a new staffing structure. The review demonstrated a need for realignment of operational functions held by PRTC with assignment to First Transit, our bus service operations contractor, in order to close technical and performance gaps.

Madam Chair Anderson and PRTC Commissioners

March 7, 2019

Page Two

The number of staff required to perform dispatch duties under the dual function structure was compared against the service levels approved by the commissioners. First, the staffing levels were outlined by shift and responsibility, to include line dispatchers, supervisor/managers, and the director-level staff. This included both First Transit and PRTC personnel and was limited to direct management of dispatch functions. Second, service level data was charted by time of day to identify the number of vehicles in service and the volume of current staffing. Upon review of the data, it showed that the staffing levels were excessive in comparison to the number of units in service and that simply “spreading out the staff” did not make improvements in the cost model and made peak periods less efficient without any cost reductions.

The separated functions of dispatching was a structure created by PRTC management in response to a contract situation more than 15 years ago. A unified dispatching approach (one centralized system with comprehensive cross-training) would perform more effectively and allow employees to impact services from start to finish with unfettered communication channels throughout operations.

First Transit and PRTC operations management was tasked with re-examining operational dispatching through the lens of a unified dispatch staff and establishing the appropriate number of fully-dedicated staff to effectively dispatch service levels. This was based on days of service, hours of operation, number of buses in service, and essential administrative functions. It was determined that seven (7) dispatchers would be the baseline number of fully dedicated staff under a unified dispatch approach.

Third, based upon the organizational structure, employment and management of these employees would be most effective under the operations unit, presently contracted to First Transit under a competitive procurement (10-year contract in 2003; renewed in 2013 for present contract term of up to 10 years). Upon further review of organizational structure and analysis of costs, it was determined that PRTC would have a net annual cost savings of approximately \$500,000 by making staffing adjustments, to realign all dispatch functions into a unified approach, through the existing Reduction-In-Force policy. This will result in a reduction-in-force for the following positions:

<u>POSITION TITLE</u>	<u>GRADE</u>
Filled:	
3-Dispatchers (FTE)	O
Vacant:	
4- Dispatchers	O
1- Dispatch Manager	R

I presented the formal analysis, metrics, and costs of the legacy-based structure of separate dispatching functions to the Commission on February 7, 2019 (attached). At this meeting I sought

Madam Chair Anderson and PRTC Commissioners

March 7, 2019

Page Three

direction from the Board to determine whether to proceed with the recommendation of a reduction-in-force and contract amendment for unified operations. The Commission made an affirmative vote to 1) proceed with the recommended action and take the necessary steps to comply with the reduction-in-force policy, and 2) formalize an employee severance package with the evaluation and concurrence of the Executive Committee for final approval by the full Commission; and 3) prepare a contract amendment for unified dispatching services with the contracted operations firm, First Transit.

The Executive Committee met on February 27, 2019 to establish a recommended severance package for employees impacted by the reduction-in-force (included in the resolution support materials). The Committee recommended the following severance package:

- Five (5) weeks of full salary
- Three (3) months of health insurance (through July 31, 2019)
- pro-rated bonus incentive earnings (calculated from July 2018 to May 2019 )

Employees will receive the proposed severance package regardless of future employer and regardless of their final date of employment leading up to the May 3, 2019 reduction-inforce effective date.

Finally, the Executive Committee approved a recommended budget of up to \$7,500 in one-time expenses for recruiter/career placement services for impacted employees.

Attached: Reduction-in-Force Proposed Severance Package  
Economics of Transit: Operational Staffing

## Reduction-in-Force Proposed Severance Package

Assumes effective date of May 3, 2019

<b>Employee Severance Total Effective May 3, 2019</b>	<b>\$59,576</b>
- 25 days (5 weeks) salary (05/04/19 - 06/08/19)	\$16,286
- Health Insurance (provided through 07/31/19)	\$6,223
- Accrued Leave Payout (per personnel policies)	\$29,969
- Bonus (10/12 of full bonus)	\$7,098
Employment Services Recruiter	\$7,500
<b>Total 1-Time Costs</b>	<b>\$67,076</b>

### Notes:

- All employee expenses were estimated at closest actual cost
- Costs may be lowered for health insurance based on individual employees
- Individual severance will vary depending on accrued leave balances and health insurance

# Economics of Transit: Operational Staffing



Robert A. Schneider, PhD  
Executive Director of PRTC/OMNIRIDE

## Where did this begin?

- 100-day listen & learn period
- Commissioners, employees, community leaders, etc.
- Non-stop observation
- 18 years of changing experience

## Vision: 2020

1. Strategic Plan Implementation
2. Identity Crisis
3. Staffing for the Future
4. New Operational Models
5. Fiscal Management & Vision
6. Governing & Funding Structure
7. Facilities & the Future



**Vision: 2020**  
Review, Analysis & Discussion:  
A Post-100 Day Plan

Robert A. Schneider, PhD  
September 7, 2017

## What I observed: Structure

Contracted service model: Competitively Procured

- National firm in place for 15 years
- 215 employees focused on Ops/Maintenance
  - Operators (158)
  - Training Staff (6)
  - Dispatchers (3) & Field Supervisors (9)
  - Maintenance Team (26)
  - Management/Admin (20)



## What I observed: Structure



## Operationally Focused:



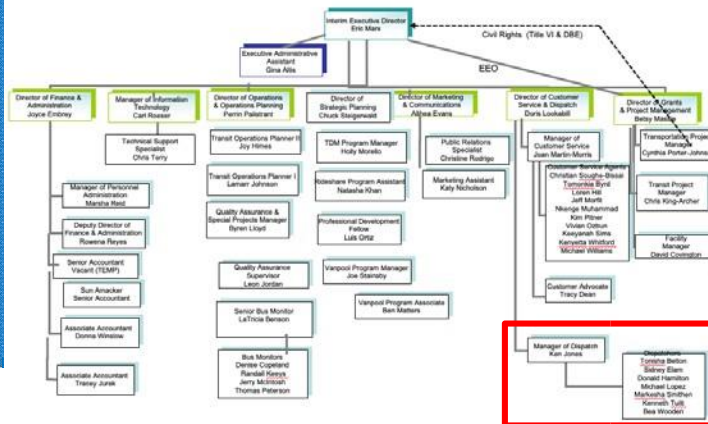
## What I observed: Structure

The Commission: public agency w/Finance & Planning

- 52 employees
- Finance & Grants/IT/Project Mgmt(12)
- Planning & TDM/Vanpool (11)
- Customer Service/Marketing (16)
- Dispatchers (8) & Bus Monitors (4)
- Exec/Admin (2)

## What I observed: Structure

### PRTC Organizational Chart January 2017



8 employees:  
operations focused



## Operationally Focused:



2:39 PM

## Operationally Focused:



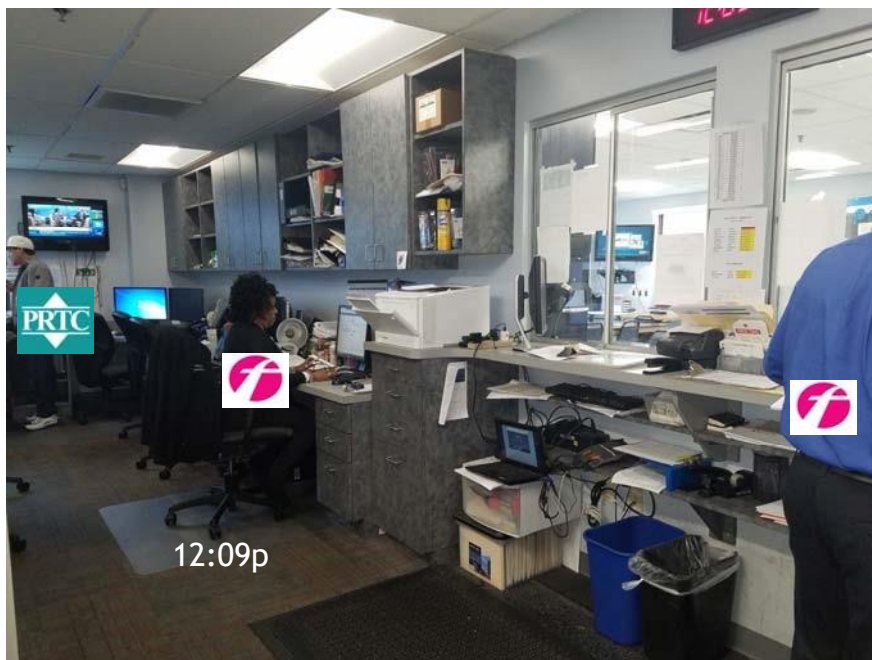
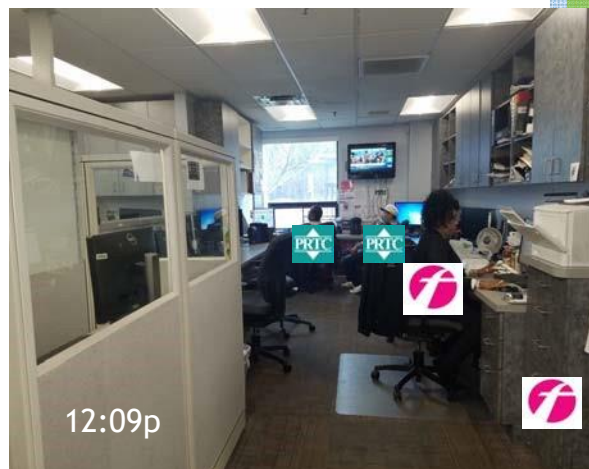
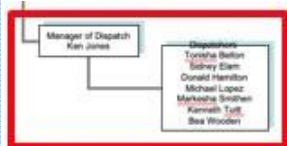
4:36 PM





# Coordination

15 office employees:  
operations focused  
+  
9 field staff



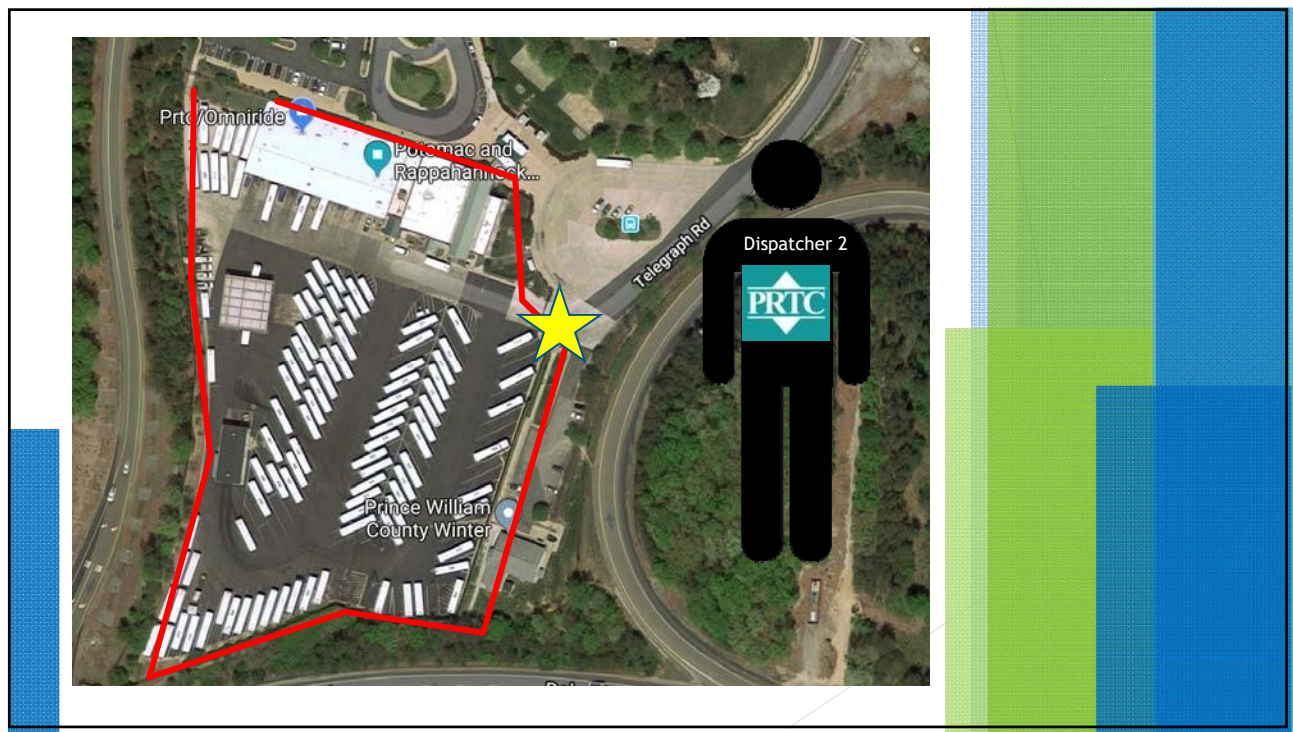
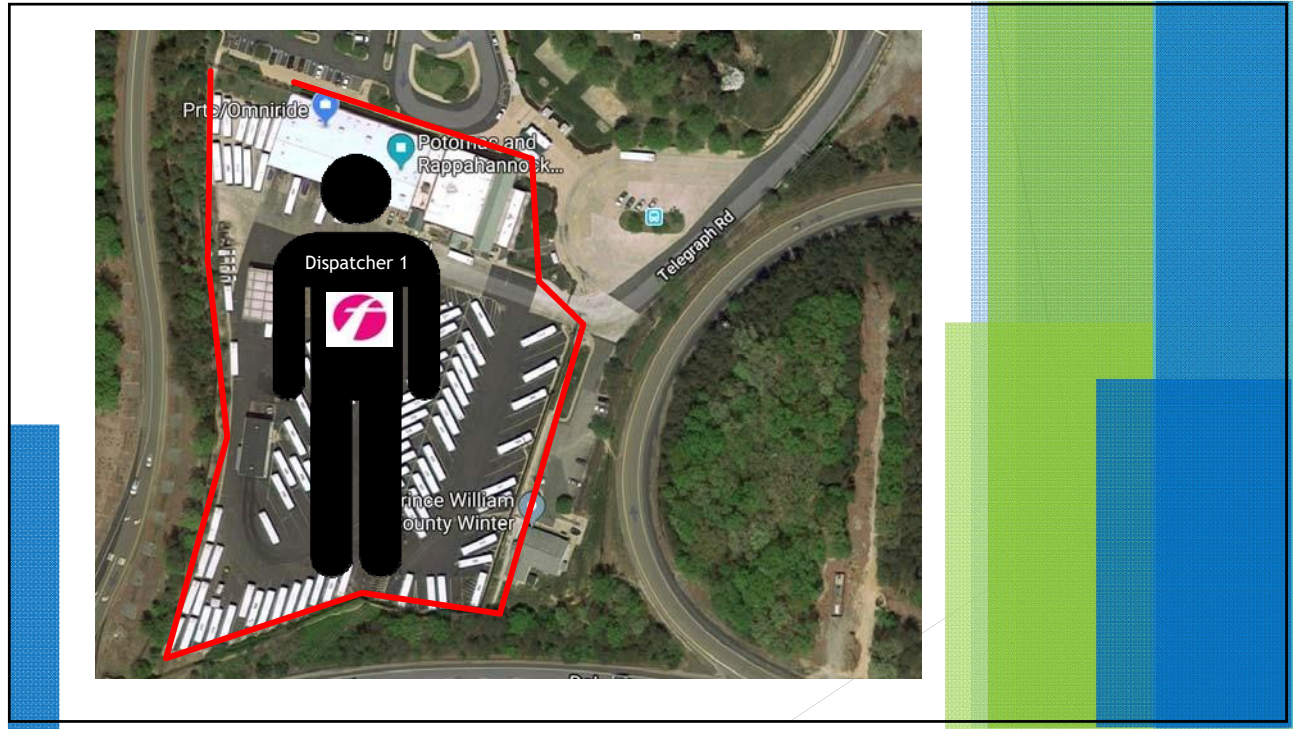




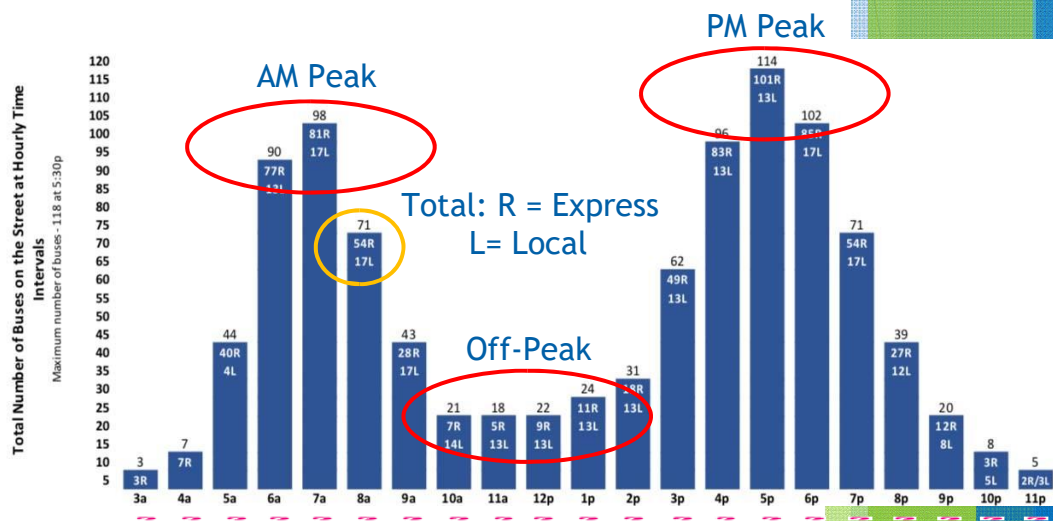
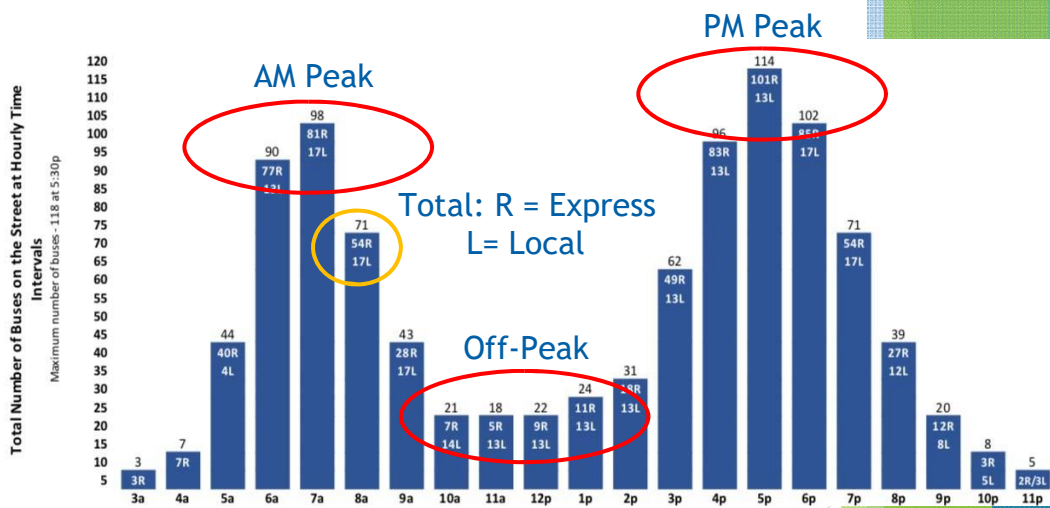
## What I observed: Functionality



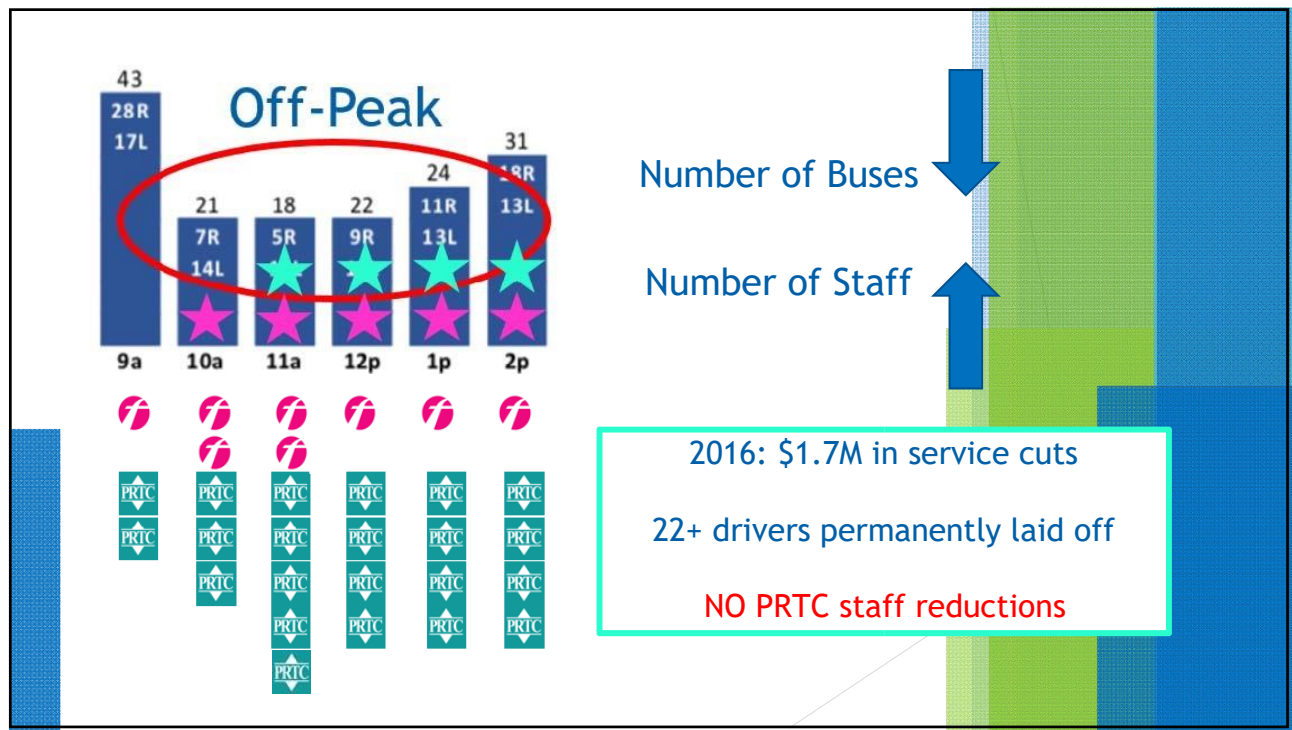
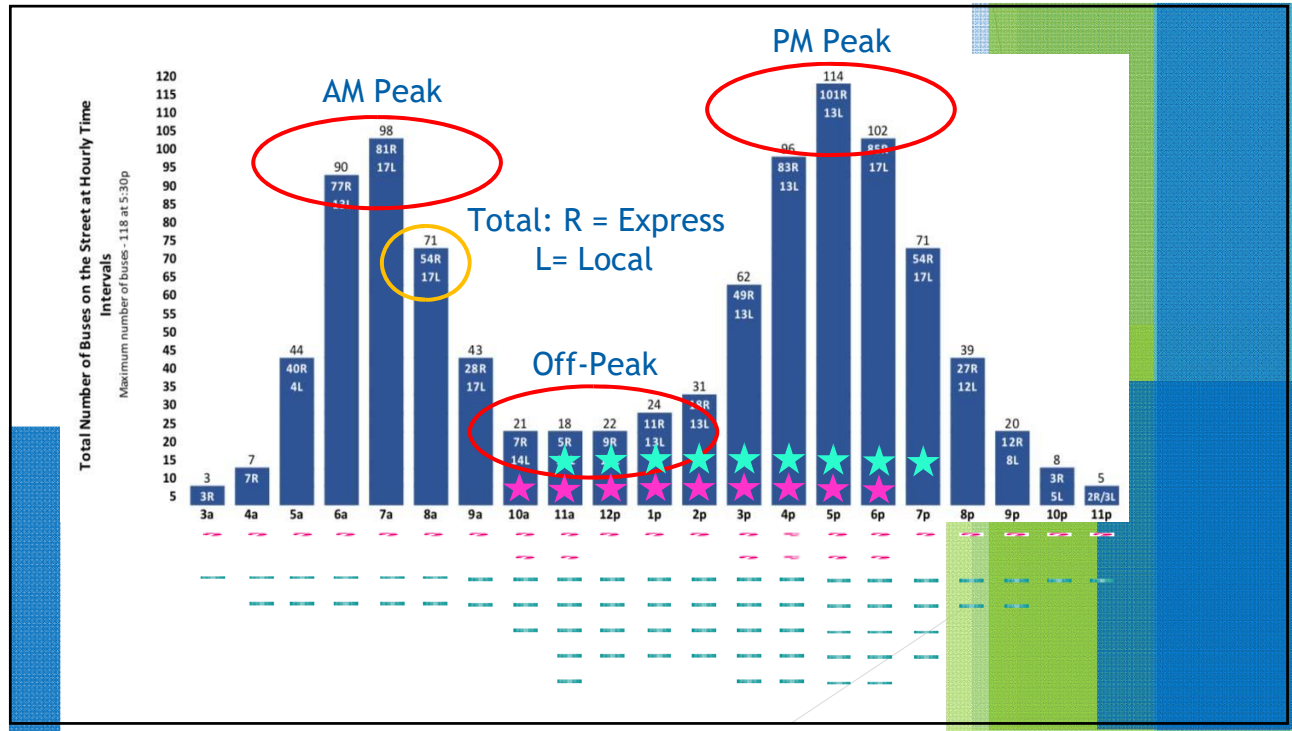


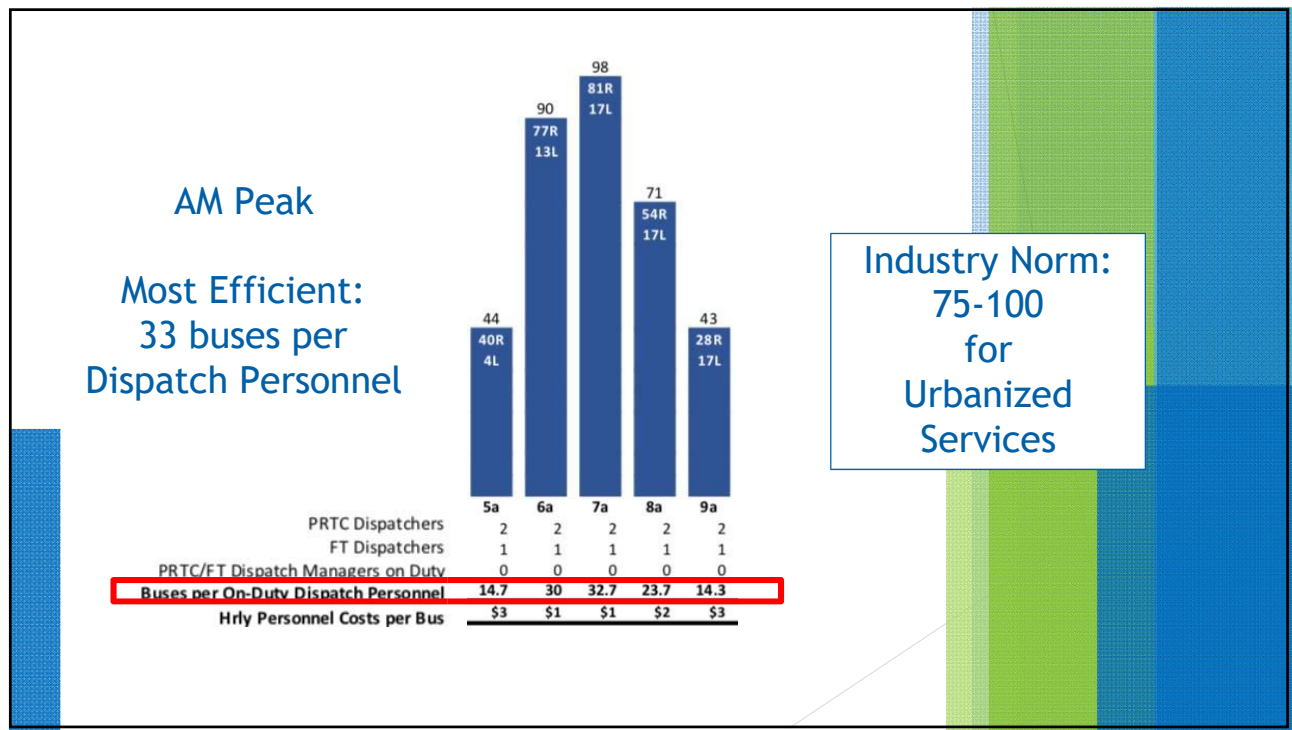
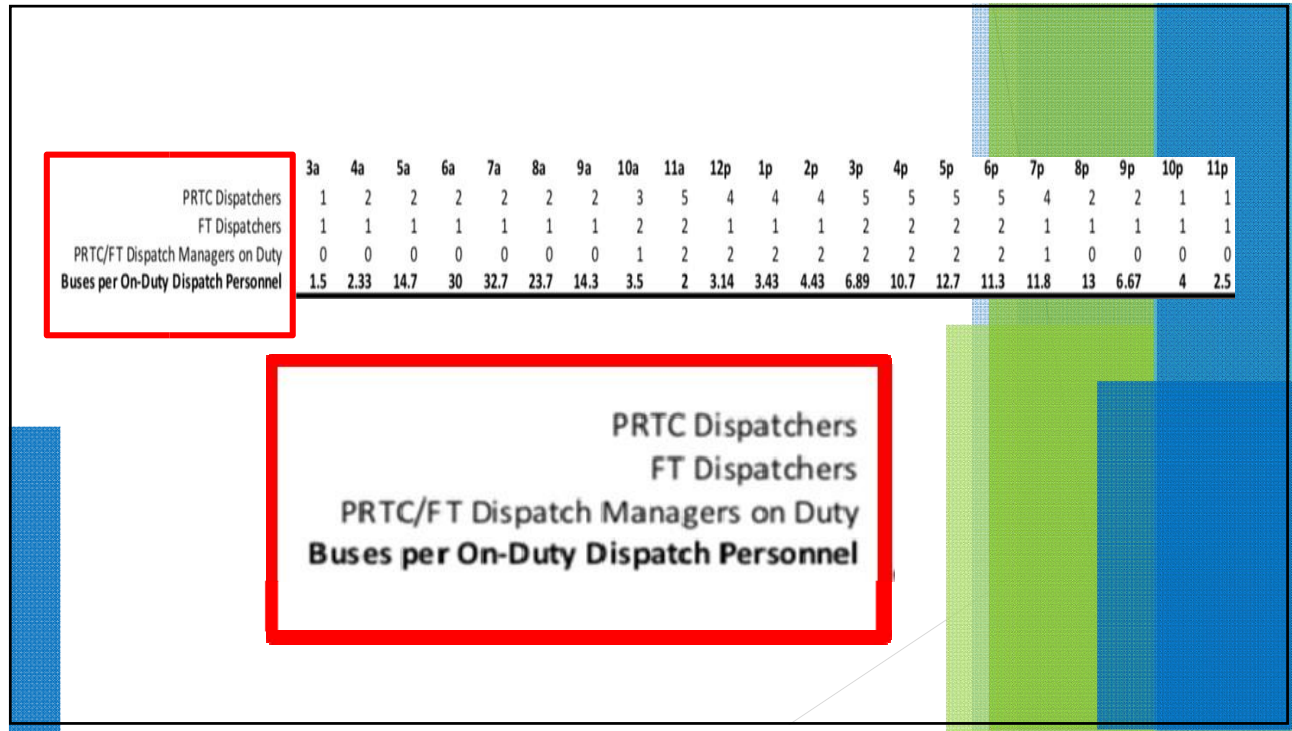


# Analysis







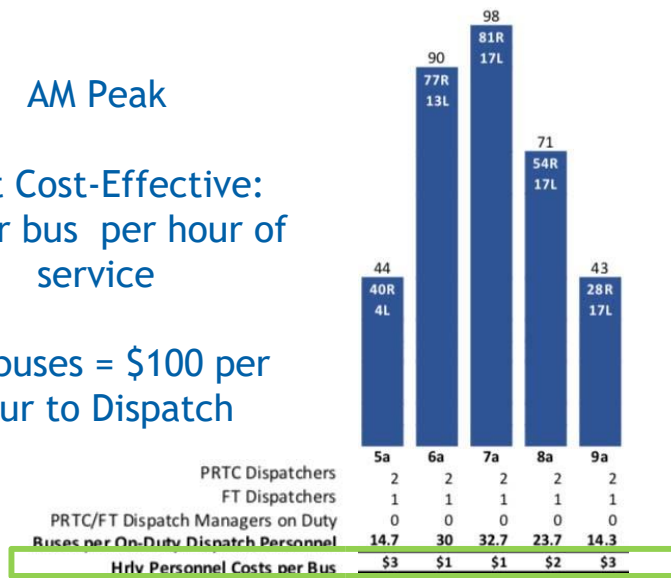




## AM Peak

Most Cost-Effective:  
\$1 per bus per hour of  
service

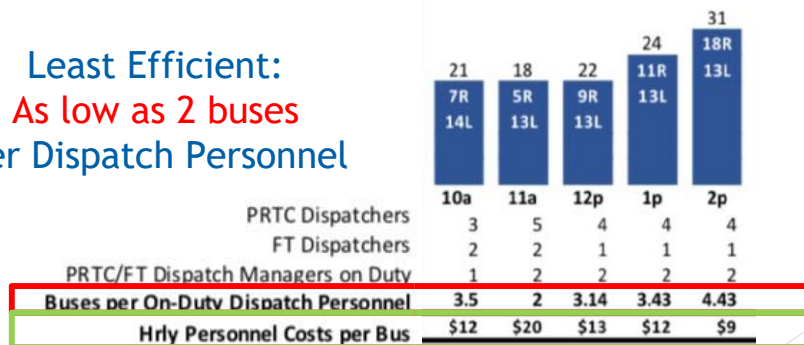
100 buses = \$100 per  
hour to Dispatch



$$\text{Personnel Icon} = \text{Bus Icon} + \text{Bus Icon} = \$40 \times 7 \text{ staff} = \$280$$

## Off Peak

Least Efficient:  
As low as 2 buses  
per Dispatch Personnel





vs.



98 vs. 18





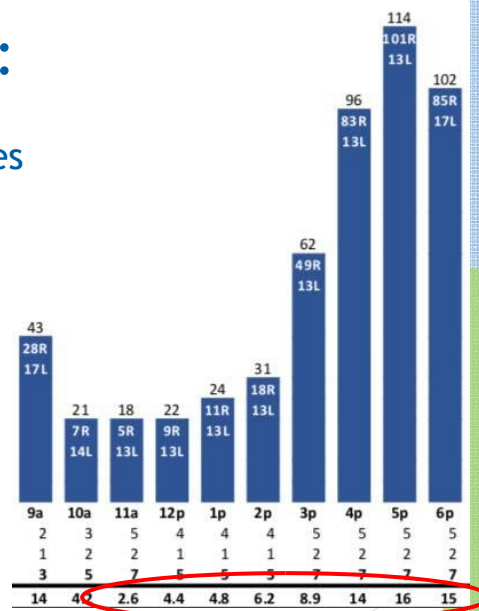
## Logical Solution:

Spread our Staff Resources

Problem:  
AM Peak (best) ratios  
are already  
below the norm

PM Peak is even lower

Mid-day the lowest



## Can we do better? Yes

- Balance personnel volume w/ service
- Establish a target of 50+ buses per dispatch personnel
- Challenge mgmt to identify proper staff levels based on needs

## New Staff Plan

- End splitting of duties between employment groups
- Enhanced cross-training for all dispatchers
- New employee shifts/schedules
- Fewer employees required

### Personnel Split Functions Personnel Economics:

- Dispatchers: 7 PRTC / 3 First Transit (peak of 7 at once)
- Spvsnr/Mgr: 1 PRTC / 1 First Transit (peak of 2 at once)
- Blended Hourly Wage Rate: \$40.58+ (excludes OT, etc.)

	3a	4a	5a	6a	7a	8a	9a	10a	11a	12p	1p	2p
Hrly Personnel Costs per Bus	\$27	\$17	\$3	\$1	\$1	\$2	\$3	\$12	\$20	\$13	\$12	\$9
FT Dispatchers - Post RIF	2	2	3	3	2	2	2	2	2	3	3	3
FT Managers - Post RIF	0	0	0	0	1	1	1	1	1	1	1	1
Buses per On-Duty Dispatch Personnel	1.5	3.5	14.7	30	32.7	23.7	14.3	7	6	5.5	6	7.75
Hrly Personnel Costs per Bus - Post RIF	\$27	\$12	\$3	\$1	\$1	\$2	\$3	\$6	\$7	\$7	\$7	\$5

Approximately \$1.15M per year to Dispatch 118 peak buses



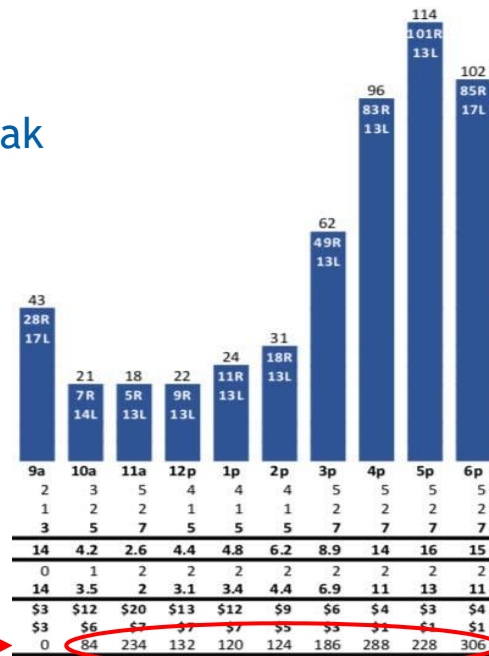
## A New Approach:

### Unified Operations

- 7 Dispatchers (down from 10)
- 1 Supervisor (down from 2)
- Cross-trained
- Reporting to First Transit (Operations Group)

### Off-Peak/PM Peak

Net Weekday  
Savings: \$1928



## A New Approach:

### Economic Breakdown:

$$\$1928 \times (5 \text{ weekdays}) = \$9640 \times (52 \text{ Weeks}) =$$

**\$501,280**

in annual dispatch operations savings

442,626	201,028	643,654
Salaries	Fringes	(Salaries & Fringes)

Present value of fully staffed  
PRTC Dispatch Department

Manassas Park	5,100	(OmniRide Local only)					
Manassas	11,500	(OmniRide Local only)					
PWC	627,100	(OmniRide + OmniRide Local (100% Eastern + 66.24% Western))					
Total	643,700						



## Fiscal Impact Statement

Manassas Park	<del>5,100</del>	(OmniRide Local only)					
Manassas	<del>11,500</del>	(OmniRide Local only)					
PWC	<del>627,100</del>	(OmniRide + OmniRide Local (100% Eastern + 66.24% Western))					
Total	<del>643,700</del>						

### Annual Budget Savings

- **\$488K** to Prince William County
- **\$4,300** to Manassas Park
- **\$8,600** to City of Manassas

## Status Update: Today

- Promotion & Attrition
  - Dec 2017: 8 PRTC dispatch staff
  - Feb 2019: 3 PRTC dispatch staff
- First Transit has 4\* full-time Dispatchers & actively cross-training
- ...now at decision-point

## Recommendation:

- Proceed with First Transit responsibility for all dispatcher functions
- Employment by First Transit
  - Better management structure
  - Unified employment standards

## Recommendation:

- First Transit Contract Amendment
  - Approx\$330K annually
  - Hire 3 additional full time dispatchers
  - Requires First Transit hiring rules
- Requires PRTC Reduction-in-Force (3)



## Recommendation:

- Recruiter for employment options
- Initiate process
  - Formal reduction in force (per policy)
  - Prepare severance package
  - Prepare contract amendment

Questions?

