

# REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 13              | 06/13/16           | Open                | Action                  | 06/07/16   |

Subject: Adopting a Transition Vision for RT's New General Manager/CEO

## ISSUE

Whether or not to adopt a Transition Vision for RT's New General Manager/CEO.

## RECOMMENDED ACTION

Adopt Resolution No. 16-06-\_\_\_\_, Adopting a Transition Vision for RT's New General Manager/CEO.

## FISCAL IMPACT

None as a result of this action.

## DISCUSSION

RT is in the midst of significant change on multiple fronts, including service quality, partnering effectiveness, fiscal sustainability, cultural evolution and capability building. Regional activities likewise offer the opportunity for greater contributions by RT to the community, including the Golden 1 Center opening, downtown revitalization, street car development, and the proposed sales tax ballot measure. It is the intent of the RT Board of Directors to leverage these changes to increase the contribution RT makes to the Sacramento community, and to offer a reliable, clean, safe transit service to all. Recognizing the need to get the new leadership team up to speed and aligned toward a common vision of success quickly, the Board undertook an effort to define near term (e.g., two to three years) success.

The Greater Sacramento Area Economic Council (GSAC) provided the RT Board with consulting services, through Doug Carter, to develop a transition vision and priorities for the new General Manager/CEO to help accelerate desired changes. Interviews were conducted with each Board member, as well as several stakeholder groups. The results of the interviews were shared at the RT Board Retreat on May 9, 2016, and additional input was gleaned through an open discussion among Board members. Mr. Carter summarized the results and drafted a transition vision and priorities. That draft was shared with Board members and some comments received and incorporated. Mr. Carter will present the proposed (revised) transition vision and priorities for the new General Manager/CEO at the June 13th Board meeting for review, discussion and approval.

Adopting the transition vision (Exhibit A) and priorities demonstrates a firm commitment to increased contributions and performance for the community, riders, partners, and employees. Changing business processes to focus all efforts on achieving success as defined in the vision serves to align all efforts and activities toward common outcomes. The transition vision is intended to inform the new leadership team about expectations for a successful transition. Appropriately, the vision focuses on policy level outcomes. The new General Manager/CEO and his/her

Approved:

Final 06/08/16  
General Manager/CEO

Presented:

By: Douglas Carter, MBO Partners

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leadership team will be charged with developing strategies, plans, tasks and resources to accomplish the vision.

RESOLUTION NO. 16-06-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

**June 13, 2016**

**ADOPTING A TRANSITION VISION FOR RT'S  
NEW GENERAL MANAGER/CEO**

WHEREAS, the Greater Sacramento Area Economic Council has provided a consultant, Doug Carter, to assist with the development of a Transition Vision for the General Manager/CEO of the Sacramento Regional Transit District; and

WHEREAS, the Board held a retreat on May 9, 2016 to provide input into the Transition Vision for the Sacramento Regional Transit District.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby adopts and approves the Transition Vision for RT's New General Manager/CEO, as shown in Exhibit A.

\_\_\_\_\_  
JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

Exhibit A

# Regional Transit Draft Transition Vision



Sacramento, CA  
June 13, 2016

**“Relentless Pursuit of Excellence.”**

## Purpose of Our Transition Vision

- RT is in the midst of significant change on multiple fronts (e.g., service quality, fiscal, leadership, cultural, partnerships, Golden 1 Center).
- The new CEO and leadership team must keep current initiatives on track, while adding and accelerating improvement initiatives.
- The transition vision, addressing the coming 2-3 years, demonstrates unified Board commitment to specific improvement priorities, and provides guidance and direction to leadership and staff.
- The vision empowers the CEO and his/her leadership team to plan, resource, execute, measure, and adjust to deliver desired outcomes.
- The transition vision also provides a firm commitment to the public, riders, potential riders, partners and employees to serve you better.

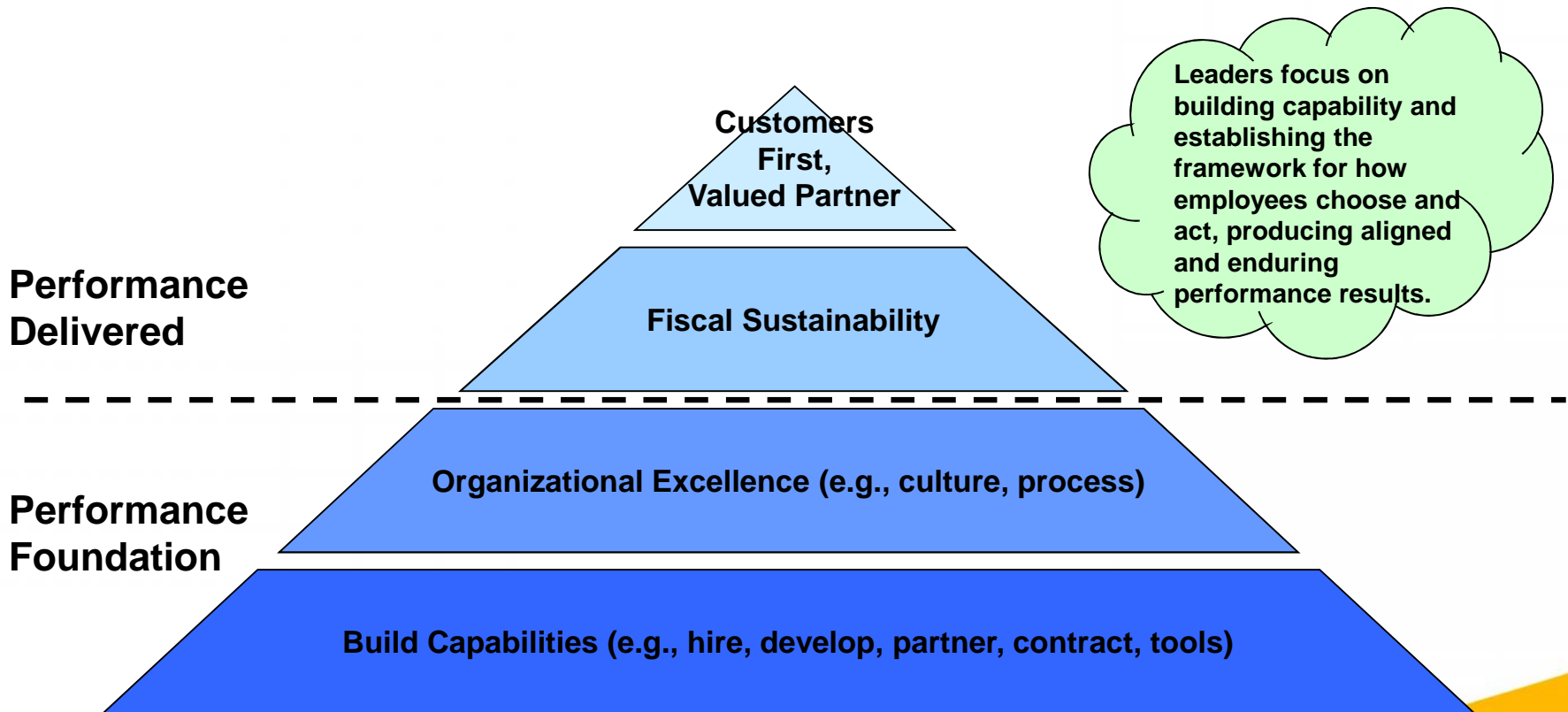
## Understanding Our Transition Vision

- Each and every goal is important – there is no need to rank goals as we are committed to all of them equally.
- Trading off performance on one goal for declines on another is unacceptable. Our goals are not competitive or mutually exclusive.
- RT programs, initiatives and even routine actions are to be refreshed and aligned to maximum benefit toward all goals. Gone are the days of aligning a program, project or initiative with a single goal.
- Our intent forward is to maximize results against each and every goal in all we do.
- Our vision and goals represent a significant step in evolving our culture and the value we provide our community.
- Our vision is intended to change what we do and how we do it – we are committed to the highest standards of performance.

## Proposed Transition Vision Goals

|                                  |  |
|----------------------------------|--|
| <b>Customer's First</b>          | <i>We will provide clean, safe, secure and reliable transit services and facilities for all riders and potential riders, going where and when customers want.</i>  |
| <b>Valued Partnerships</b>       | <i>We will build effective partnerships throughout the greater Sacramento community with riders, potential riders, government, business, transportation providers, social, economic, non-governmental organizations, employees, and labor.</i> |
| <b>Fiscal Sustainability</b>     | <i>We will implement RT's fiscal policies to live within annual fiscal means, build appropriate reserves, analyze and plan for risks, and only add costs that are sustainable at high quality.</i>   |
| <b>Organizational Excellence</b> | <i>We will relentlessly pursue excellence in all activities, aligning resources and actions across organizational units to achieve our common goals and deliver results that endure.</i>   |
| <b>Building Capability</b>       | <i>We will learn and grow both as individuals and as an organization, building capabilities to meet the challenges of today and tomorrow.</i>  |

# Performance results are delivered from a strong foundation of capability and organizational excellence.





## **A tag line often helps people convey and recall the transition vision (shorthand version).**

Some tag line options aligned to the goal areas include:

- *Relentless pursuit of excellence.*
- *Changing to serve you better.*
- *Unwavering commitment to quality.*
- *Customers 1<sup>st</sup> in all we do.*
- *Addressing tomorrow's challenges today.*
- *Expect a better experience.*

The tag line can be used for internal and external communications.

## The new RT CEO must also complete current change efforts, while pursuing the vision.

| Internally Driven  | Externally Driven   |
|--|---|
| <ul style="list-style-type: none"><li>• Hire, train and deploy the Transit Agents, gain feedback and improve.</li><li>• Safe, clean and secure improvements.</li><li>• Partner with unions and employees.</li><li>• Balance the budget, build reserves, and implement fiscal responsibility policies.</li><li>• Prepare strategies and plans for labor negotiations.</li><li>• Support Connect Card and mobile application implementation.</li><li>• Wrap rail cars successfully.</li><li>• Fill out the leadership team.</li><li>• Implement the fare change.</li></ul> | <ul style="list-style-type: none"><li>• Prepare for successful support of the Golden 1 opening (facilities and services).</li><li>• Leverage Golden 1 as an opportunity to improve RT for all riders and all trip purposes.</li><li>• Support the vote on Measure B.</li><li>• Support Streetcar development.</li><li>• Freshen up the look and feel of the system.</li><li>• Improve 2-way communications.</li><li>• Right size and refresh the routes and schedules to reflect economic activity, travel patterns and land use plans.</li></ul> |

*Some items may require the CEO's direct attention, others can be delegated with oversight.*

## **The new CEO must drive the transition vision through all RT processes, activities and initiatives.**

- What gets measured gets done. The new CEO will lead efforts to measure results relative to the transition vision and report progress and impact internally, to the Board, and externally.
- Appendix A provides the new CEO additional direction on using the transition vision to align all efforts and activities toward accomplishing the goals, break down silos, increase collaboration and evolve the culture.
- Appendix B addresses expected changes in the way management works with the Board, as well as potential future discussion topics for the Board.

## Next Steps

- We will update the vision, goals and tag line based on direction provided here tonight.
- The updated result will be forwarded to the Board members and provided to management for action.
- Management will begin to use the vision to guide internal communications, planning, resource allocation and decisions.
- RT will also consider how the vision and goals might be used externally to convey intent and mobilize support among partners and rider groups.

## Appendix A: Using Vision to Change Culture

*The vision will be used as an accelerant to change the culture, eliminate silos, align staff to common goals, increase collaboration, and build a bridge from actions to results.*

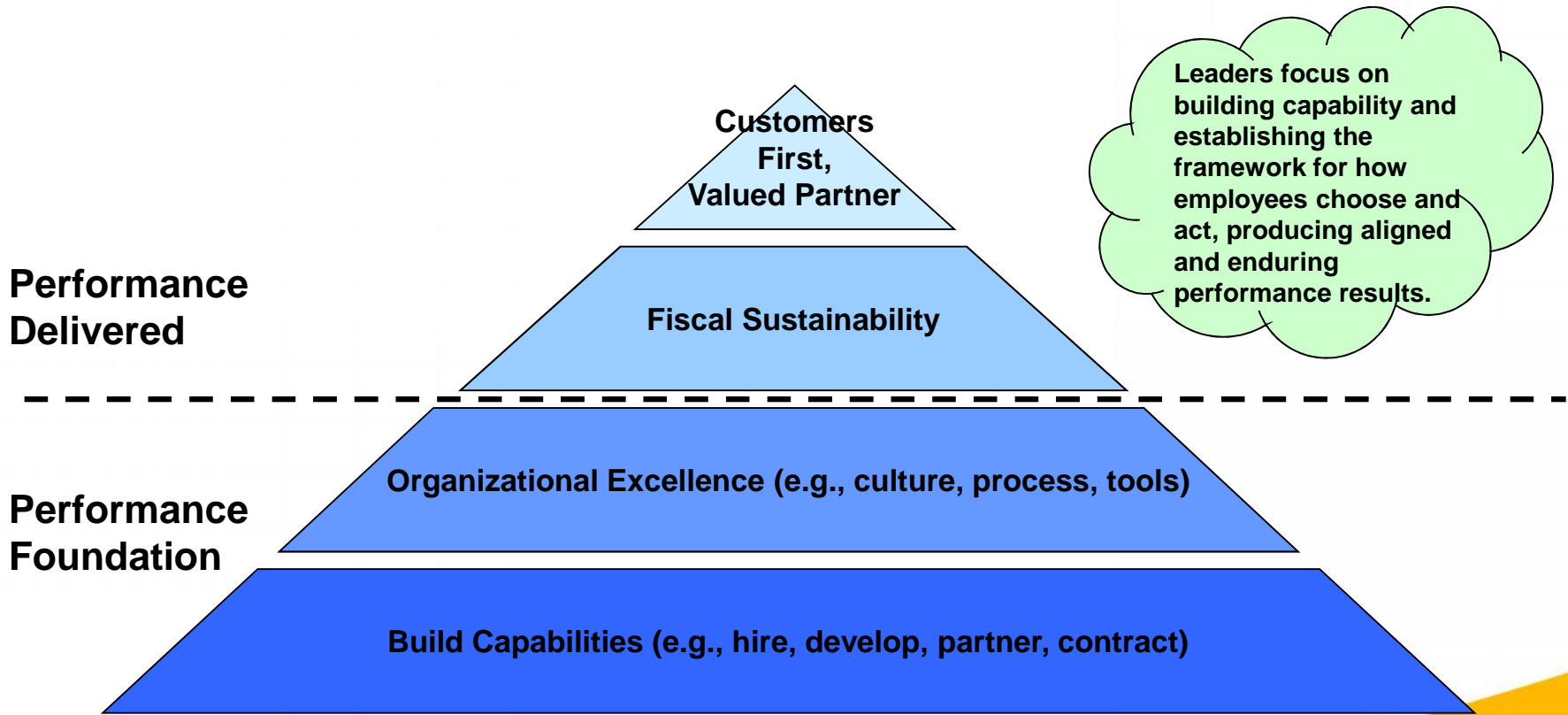
## **We will use our vision to transform the way we work.**

- The transition vision is intended to drive all activities, initiatives, plans and projects toward achieving aligned and integrated results.
- The goals are not intended to be parceled out with some activities addressing some goals and other programs addressing others.
- All activities must align to each and every goal. We will broaden our view and re-envision our work to further each and every goal.
- This requires us to look at our business processes, plans and programs for improvement opportunities.
- It also requires us to reach beyond our personal contribution to coordinate with team mates across RT to deliver the full value chain.
- Together, we can and will achieve our transition vision, and we will all share in the pride and benefits of a job well done.

## How we build value in our work.

- Building capabilities, individual and collective, is the foundation of our value chain and includes hiring, training, developing, outsourcing, and partnering to raise our capabilities; and investing in systems/tools to improve performance.
- Organizational excellence and our culture guide choices for each and every employee every day, aligning efforts and delivering enduring results for customers and partners.
- We can't deliver quality for customers and partners without a secure fiscal foundation. Fiscal sustainability (e.g., live within resources, build reserves for capital and operating, improve budgeting and transparency) is essential to delivering enduring results..
- At RT, customer service and effective partnerships are our most valuable contributions to the region. As a result, these goals occupy the top of our value chain.

# Performance results are delivered from a strong foundation of capability and organizational excellence.

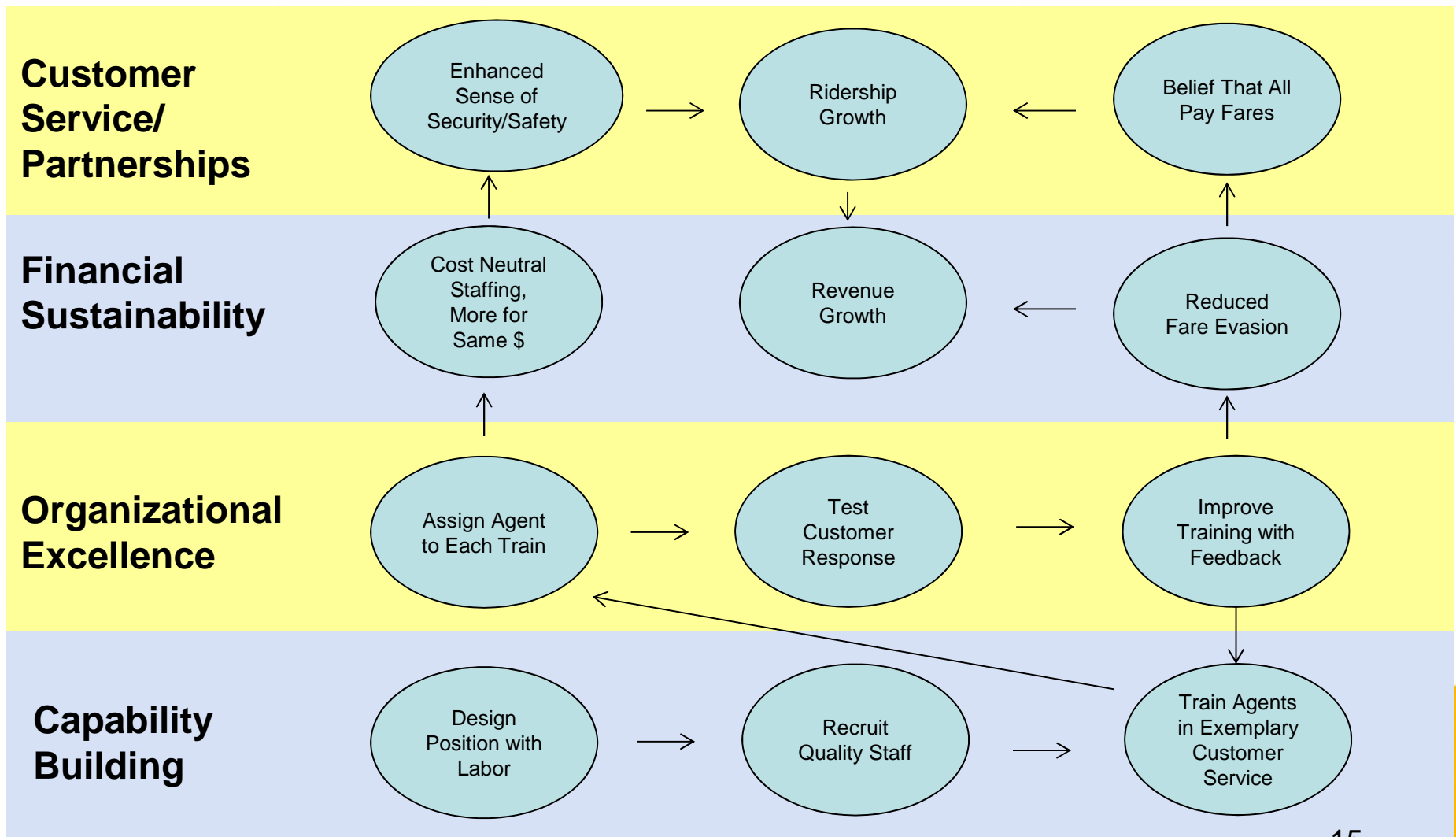




## Three examples using our transition vision.

- As examples, three different RT initiatives are used to demonstrate how to create value in all goal areas:
  - Transit Agents
  - Enhanced station and vehicle cleaning
  - Train Wraps
- In each case, implementation activities are designed to advance each and every goal. This requires looking at the full initiative and all RT functions involved in its success.
- Enhanced cleaning: RT explored a part time cleaner with labor (voted down by union membership), and contracting earlier this year. The valued partnerships goal widened the solution set which now includes partnering (e.g., MOU for a work study program) with a community college to gain affordable resources for cleaning while increasing partnerships. Applying the goals widens our thinking and opportunities for success.

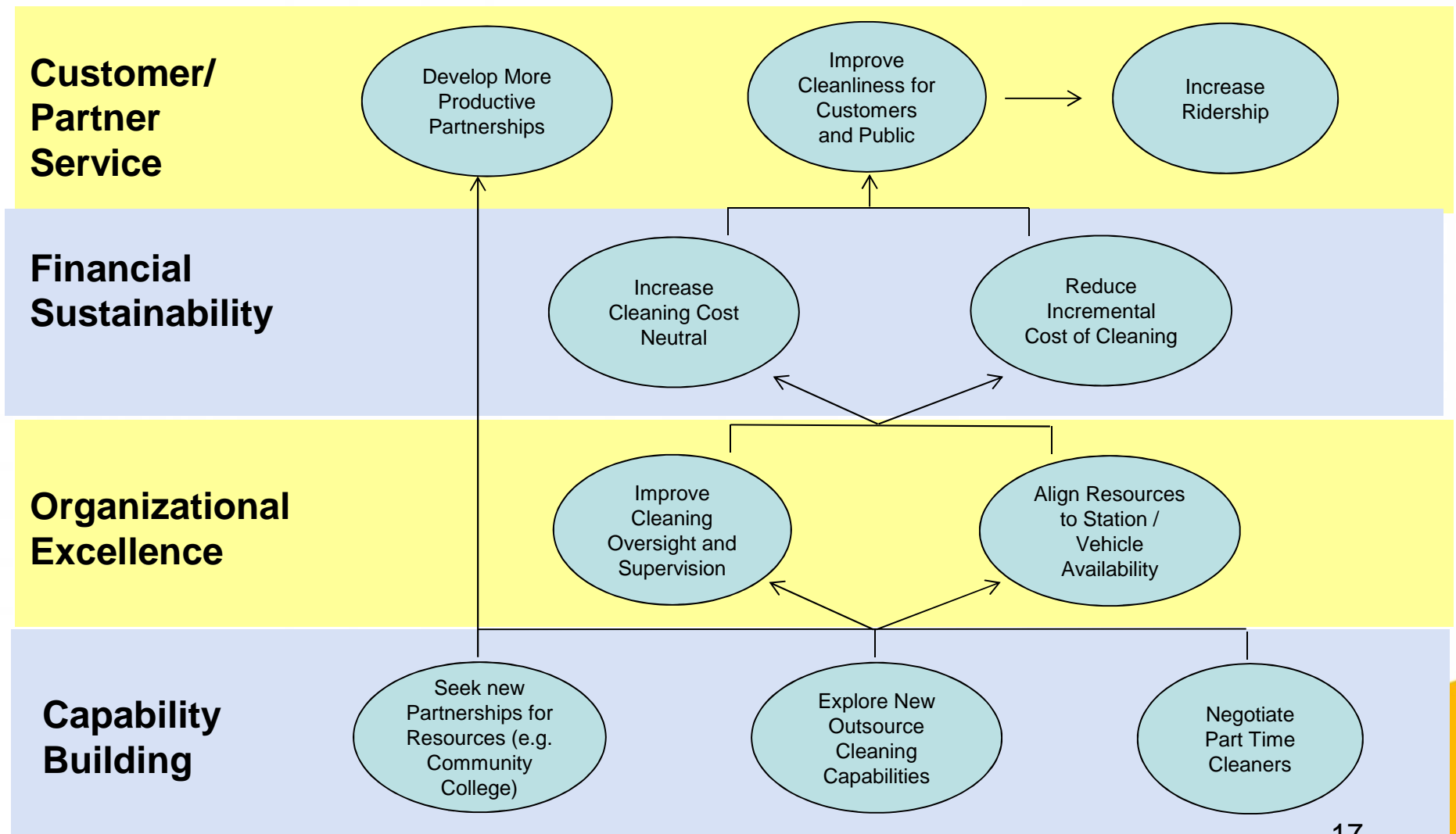
# Building Value: Transit Agents



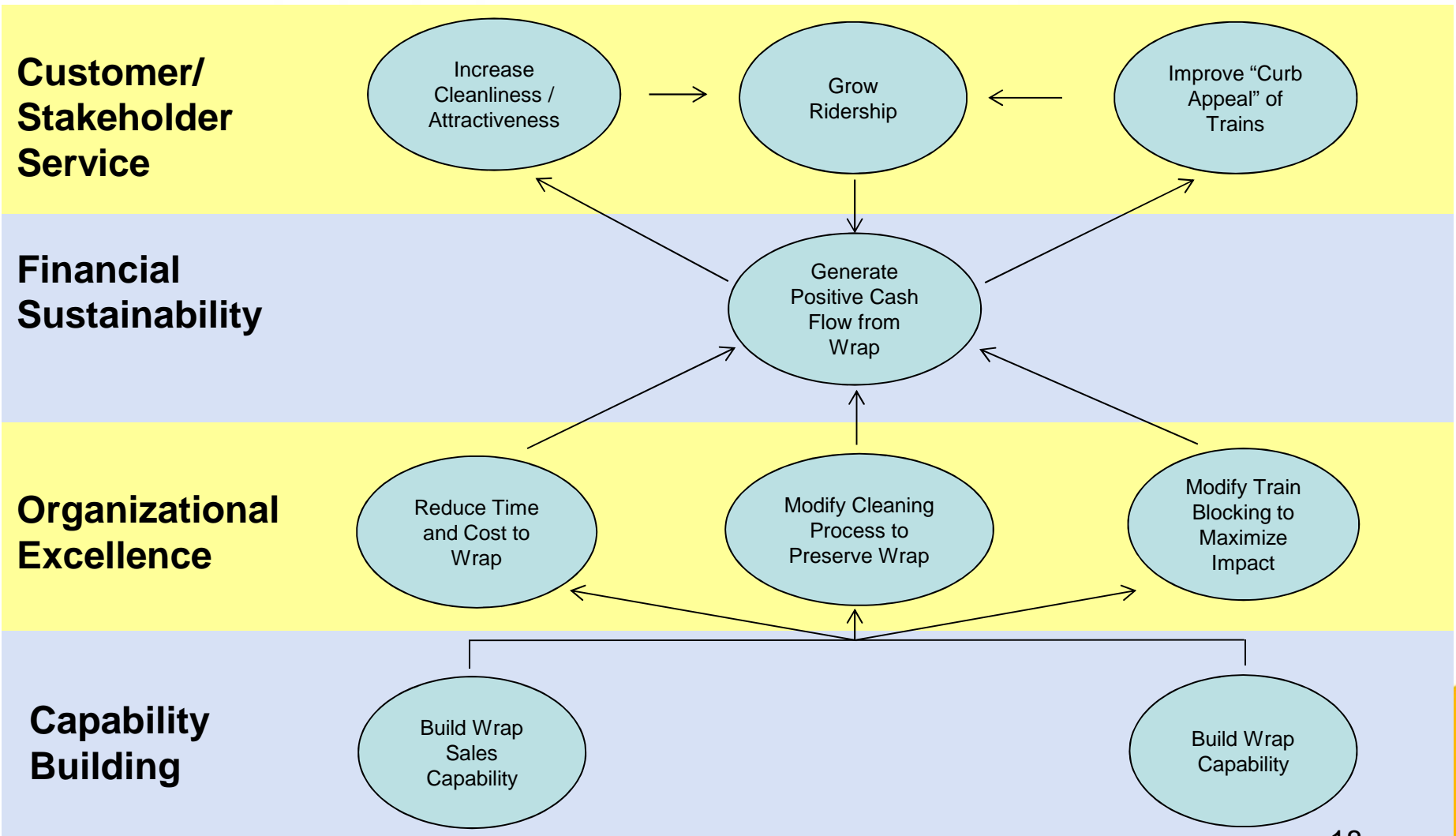
## Hiring, training and deploying Transit Agents builds alignment and collaboration across RT.



# Building Value: Enhanced Cleaning



# Building Value: Train Wraps



## Appendix B: Changing the Board Dynamic

*The transition offers an opportunity to advance the governance dynamic this year, and consider additional changes over the coming two to three years.*

## **The Board wants to evolve engagement with the new GM/CEO and RT's leadership team.**

- The CEO and management have worked closely with the Chair in the past, and should do so forward.
- The CEO should also meet with every board member on some regular basis (e.g., semi-annually).
- Board members are interested in helping with partner engagement (e.g., where they have an interest and relationships, act as a liaison for RT, and contribute to building a productive bond).
- The Board would like support from management in partnership building (e.g., cliff notes on topics of interest/outreach focus, performance results, planned improvements).
- The new CEO should explore establishing a speakers bureau, where RT staff would speak on behalf of RT to local jurisdictions, NGO's, non-profits and the business community. Staff development could include participation in Toastmasters, and Board members could request a speaker for different partners and jurisdictions.

## **Board meeting dynamics should also evolve over the coming 2-3 years.**

- Past Board meetings are weighted towards administrative/business tasks. We prefer to balance this with a richer mix of strategy/policy topics.
- Shifting to strategy may require more delegation of administrative duties. The new CEO should help review potential delegation opportunities, with Board oversight.
- The Board would like to add 2-4 retreats annually for in depth strategy exploration. Topics might include: budget, service restructuring, capital planning, partner outreach, customer communications, and labor strategy.
- If delegation is successful, might we consider reducing meetings to one per month? Consider committees to enforce policies, review and place items on consent. Staff time, cost and focus supporting Board meetings is significant.
- Where issues are complex, can we have a preparatory call or meeting (e.g., similar to the fare change discussions)?



## **There is the potential to consider structural changes to the Board over time.**

- The business community is interested in helping the Board in some official capacity. There are many options (e.g., appointed member, ex-officio, standing advisory committee with real work and authority, special topic advisory committee). Particular interests: financial, customer service, sales expertise.
- Board Committees offer the opportunity to reduce Board meetings, focus on strategy, and empower committees to address administrative duties. Many meet on the same day just before the monthly Board meeting, and approve items to be placed on consent for the adjacent Board meeting.
- An all elected board offers strong representation and transparency. Appointed board members can be designed to gain specific capabilities, and perspectives (e.g., sales, finance). Might we consider a combination of the two in the future?