

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

TO: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, CFO

DATE: November 10, 2021

SUBJECT: Chief Executive Officer Position Description and Compensation Analysis
Consultant Report

- 1. Background:** The Northern Virginia Transportation Authority (NVTA) engaged the services of an independent consult to revise the Chief Executive Officer (CEO) position description and undertake a compensation analysis with recommendations. The Position Description was presented and adopted at the October 2021 Authority meeting. The draft Compensation Analysis was presented to the Governance and Personnel Committee (GPC) as well as the Finance Committee in October for review and comment.
- 2. Suggested Motion:** *I move Authority approval of the attached draft Chief Executive Officer Position Description and Compensation Analysis report from the Millennium Group International LLC.*
- 3. Discussion:**
 - a.** After examining several options, the GPC directed staff in June 10, 2021 to make a best effort to develop and issue a Request for Proposal (RFP) for an independent consultant to examine and make recommendations on the Chief Executive Officer position description and perform a compensation analysis. The contract award to the Millennium Group International LLC (TMG) was finalized on July 14, 2021.
 - b.** The consulting engagement was divided into two phases; revised Position Description and Compensation Analysis.
 - c.** The revised position description was adopted by the Authority at the October 2021 meeting.
 - d.** TMG presented the draft compensation analysis to the GPC and Finance Committees in October. The review and discussion of the report at those meetings did not generate any unaddressed questions or unsettled comments.
 - e.** Representatives of TMG are available to respond to questions and provide an overview of their approach and recommendations if requested during the meeting.

- f. An Executive Summary of the Compensation Analysis phase of the consulting engagement is attached for consideration by the Authority.

4. Next Steps:

- a. With acceptance of the Compensation Analysis, the recommendations are available for use as determined by the Authority, for the Chief Executive Officer annual performance review during the November 2021 meeting.

Attachment: NVTA CEO Compensation Analysis Report



THE MILLENNIUM GROUP INTERNATIONAL, LLC

NVTA Chief Executive Officer Position Description and Compensation Consulting



Northern Virginia Transportation Authority

Findings and Recommendations Executive Report

November 10, 2021

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1.0 INTRODUCTION

In July 2021, the Northern Virginia Transportation Authority (NVTA) requested The Millennium Group International, LLC (TMG) to conduct a project for their Chief Executive Officer position. The project was to focus on two main components:

- Prepare an updated position description for the Chief Executive Officer clearly defining current key duties, expectations, and qualifications.
- Determine an appropriate compensation program for the Chief Executive Officer position including a competitive salary range, executive benefits, and guidelines to assist NVTA in relating the incumbent's performance to salary actions.

TMG closely coordinated with NVTA stakeholders throughout the project. TMG began the project with discussions with NVTA executives to confirm the project approach, expectations, and a preliminary view of NVTA's executive compensation philosophy. Regarding the latter, we developed an understanding that the competitive market for this position is primarily public sector organizations of a similar nature and mission.

2.0 POSITION DESCRIPTION FOR CEO

TMG took the following steps to prepare the position description:

- Collected and reviewed a variety of information describing the nature and functions of NVTA.
- Interviewed the Chief Executive Officer to gain a detailed understanding of current duties and position scope. We also interviewed a few members of the Governance and Personnel Committee (GPC), former and current, to obtain their perspectives on position duties and expectations.
- Based on the information obtained, prepared a first draft of a revised position description. The changes include updating the Background section to reflect the current organization. We also revised the Qualifications section to fully describe the skills and knowledge required for successful performance. The main change from the current description was the Key Functions section. Here, we worked to clearly describe major expected end results and to order the functions in approximate descending levels of importance.
- Submitted the initial draft description to the Chief Executive Officer and selected members of the GPC who were interviewed for input for further comments. We then incorporated feedback into a draft which was submitted to the full GPC for the September meeting. With no further comments following the September meeting, the Authority adopted the position description as final during the October meeting.

The final description is shown as an appendix to this report.

3.0 CEO COMPENSATION

For the second component of the project, TMG conducted a survey of salaries and executive benefits for the senior position among generally comparable organizations and, on the basis of the results of the survey, recommend:

- A salary range for the CEO position.
- Guidelines for administering the salary for the CEO within that salary range.
- Appropriate executive benefits

3.1 Survey Organizations

NVTA suggested several local organizations with significant transportation planning and funding responsibilities within NVTA's service area. We reviewed these suggestions and agreed that they would be appropriate to include in the survey, noting few had the level of project programming and funding capacity or responsibility that reside with NVTA. Additionally, we conducted research to identify a group of other organizations that were functionally similar to NVTA to help confirm survey findings.

Following is the list of survey participants:

- Baltimore Regional Transportation Board (Did not respond)
- Boston Regional Metropolitan Planning Organization (MPO)
- Broward Metropolitan Planning Organization (MPO)
- Delaware Valley Regional Planning Commission (RPC)
- Hampton Roads Transportation Accountability Commission (TAC)
- Northern Virginia Transportation Commission (NVTC)
- Miami-Dade Transportation Planning Organization (TPO)
- Metropolitan Washington Council of Governments (MCOG)
 - Deputy Executive Director
- Potomac and Rappahannock Transportation Commission (PRTC)/OmniRide

3.2 Survey Methodology

TMG developed a survey questionnaire and distributed it to each of the organizations requesting basic information about the organization, position description, organization chart, and link to financial and operational information. We also requested current salaries and any special compensation not provided to other employees. After receiving the information from the participating organizations, we then followed up with discussions with the person occupying the position or their designee, at each organization to obtain additional information and perspective.

3.3 Survey Findings

While all the participants are public sector organizations with strong transportation planning activities, there are differences between these organizations and NVTA in terms of size, complexity and diversity of functions. We used a proprietary factor-point system to account for these differences and to relate to NVTA’s position. This system measures positions on the basis of our judgment of the amount and level of skills, mental efforts, and responsibility required. These evaluations represent our opinion as to relative job content for each based on the information provided by the participants.

We eliminated one position—the Executive Director of Boston Metropolitan Planning Organization—from the salary analysis as the salary data was an outlier from the others. Examination of the remaining data indicates a close pattern of salaries paid. All are within fifteen percent of the group average indicating survey results are a reliable indicator of the competitive market facing NVTA.

The average salary for this group is \$234,516 (excluding Boston MPO). Relating reported salaries to evaluation points produces a central tendency salary of \$240,505; again, indicating a close pattern of survey results.

The survey indicates that there is a wide variety in executive benefits. Three of the organizations do not provide any special benefits. Three provide deferred compensation.

3.4 Northern Virginia Executive Compensation

While not used in calculation of the recommended salary range, we felt it would be instructive to show salary, deferred compensation and vehicle allowance practices for the top public sector executive in several localities in Northern Virginia.

Norther Virginia Locales	Mean Compensation Practices
Loudoun County	Base Salary: \$298,839 Deferred Compensation: \$21,800 Vehicle Allowance: \$7,675
Fairfax County	
Arlington County	
Prince William County	
City of Alexandria	

4.0 RECOMMENDATIONS

4.1 Salary Range

Following is our recommended salary range for the Chief Executive Officer:

Minimum	Midpoint	Maximum
\$188,000	\$235,000	\$282,000

The midpoint is intended to meet the average of survey findings. The minimum and maximum are set 20 percent above and below midpoint to allow recognition of performance.

4.2 Salary Range Placement

Following are suggested guidelines for placement of the Chief Executive Officer at an appropriate position within the range based on an evaluation of performance:

% of Midpoint	Placement
85% to 90%	Appropriate for an employee in a learning capacity and who meets the minimum years of experience and other requirements as listed on the position description.
90% to 95%	Appropriate for an employee who exceeds the minimum years of experience and other requirements as listed on the position description and becoming more proficient . Individuals at this level should be expected to achieve full proficiency within a short period of time.
95% to 105%	Appropriate for an employee who fully meets position expectation .
105% to 115%	Appropriate for an employee with exceptional qualifications and/or consistently meets position expectations and frequently exceeds them .
115% to 120%	Should be used sparingly and is appropriate for an employee who consistently substantially exceeds position expectation .

4.3 Other Executive Compensation

Overall, there is not a clear pattern of other forms of compensation reported for the surveyed executives. A few provide special benefits such as additional vacation or medical examination but most do not.

However, supplemental retirement or deferred compensation contributions are more common. They are especially common among for the Northern Virginia public sector executives. As such, NVTA may wish to add a supplemental retirement plan for the CEO. A five percent of base salary would appear to be reasonable.

We suggest no change in the current \$7,200 mileage allowance for the CEO in order to remain in line with survey findings, to be re-evaluated when post COVID regional travel patterns stabilize.

4.4 Periodic Updating of Salary Range

The recommended salary range is based on 2021 data. In future years NVTA will need to consider adjusting the range to reflect changes in prevailing salary levels.

NVTA can determine an appropriate adjustment amount by reviewing a variety of sources such as:

- The annual World at Work Salary Budget Survey.
- Bureau of Labor Statistics Employment Cost Index and National Compensation Survey.
- Salary increase percentages for the five local jurisdictions listed in this report and the State of Virginia.

4.5 Organizational Recommendations

While not an organizational study, several organizational issues appeared to us and we wanted to share them:

- Current staffing levels seem lean in comparison to peer group with an average of approximately 40 staff. We suggest reviewing current workloads and expectations to be sure staffing is correctly aligned with requirements.
- Extensive outside duties of the CEO call for a consideration of increased internal support such as the possibility of a deputy director or strong executive assistant. Considering your current structure and size, one possibility would be to add a position such as Assistant to the Chief Executive Officer to allow the CEO to focus on external and other critical responsibilities. This position would be envisioned at a higher professional level (as opposed to administrative or clerical focus) with thorough knowledge of transportation planning and funding and performing duties such as complex scheduling, board member staff coordination, research, report/presentation preparation, responding to inquiries and coordination of internal project status and timelines.

5.0 ABOUT THE MILLENNIUM GROUP INTERNATIONAL

The Millennium Group International, LLC (TMG) provides services to strengthen organizational capacity. Founded in 1998, TMG has experience in providing customized human capital consulting solutions to our client's needs. TMG provides the full range of human capital consulting services shown in the figure below. We specialize in taking the time to understand your business needs and work with you to design a cost-effective solution.





Figure 2: TMG Capabilities – Human Capital Consulting Services Summary

We have the unique ability to engage customers and team members without disrupting day-to-day operations. We bring a seasoned team of human capital strategists, business process improvement experts, technology savvy workforce development specialists. We have a wide selection of over 70 executive coaches, facilitators, and leadership training experts that provide development opportunities to executives, management, staff, human resources, and other leaders.

TMG has demonstrated the capacity to deliver on large complex projects. TMG has been instrumental in improving hundreds of corporations, not-for-profit, and government organizations by helping developing their most important asset, their people. TMG has worked with many nonprofits such as NGOs, trade associations, charitable organizations, civic associations, employee organizations and social advocacy groups. The complete list of the TMG clients can be found at: <http://tmgi.net/clients.html>.

TMG has supported a range of transportation-sector clients. Within the US Department of Transportation, TMG experience includes a wide range of human capital consulting support, including job analysis, performance management, strategic human capital planning and training program support services.

Through our past performance, we have a demonstrated record of success. TMG has gained a thorough understanding of the scope and complexity of the DOT overall mission, structure, and functions. We are

Transportation Sector Experience

- **Federal Motor Carrier Safety Administration**
- **Federal Transit Administration**
- **Office of the General Counsel**
- **Office of the Secretary of Transportation**
- **Federal Highway Administration**
- **Federal Railroad Administration**

knowledgeable of the workforce - its culture, demographics, pressures, and specific developmental needs.

TMG is small, minority-owned business based in the Washington, DC area with the headquarters office in Sterling, Virginia.

- Virginia SWAM Certification: 673066, Aug 24, 2024

TMG is a recognized industry leader for innovative practices



- Best Organizational Development & HCM Consulting Firm, Corporate Vision Magazine - 2021
- Inc. 500|5000 list of the fastest-growing private companies in America – 2013, 2014 & 2015
- Top 10 Most Powerful Technology Companies in the Government – 2015
- Top Business Award by DiversityBusiness.com – 2013, 2014 & 2015
- SECAF Government Contractor of the Year Award, Finalist – 2015