Funding, Politics Top Challenges for Transit Execs

Advertising is again the most-used method of generating revenue (81%). Forty-one percent raised fares, while 33% tapped public-private partnerships to bolster their coffers.

BY JANNA STARCIC, Executive Editor

Transit systems reporting budget shortfalls has stayed steady at 59% for 2013, according to METRO’s Annual GM Survey. And, as expected, funding is the number one challenge faced by transit executives, with 38% reporting. Dealing with politics is the second-highest reported challenge at 13%.

Raising fares, cutting service and delaying projects are the top three tactics used to mitigate budgetary issues. Rising costs such as health care are being met with various tactics including developing wellness programs and having employees shoulder more insurance costs, while agencies are locking in fuel prices to curb fuel costs.

Advertising is again the most-used method of generating revenue (81%). Forty-one percent raised fares, while 33% tapped public-private partnerships to bolster their coffers. New revenue streams added to the list included joint development (21%), benefit assessments (11%) and developer impact fees (3%).

Like last year, the profile of our survey respondents was overwhelmingly male, with 81% reporting. The average number of years in the industry is 24, while the highest number of people (32%) report working between 31 to 40 years in public transit. The average operating budget was $230 million, while the average salary came to $125,000.

The average annual salary was $124,000, with the highest listed as $299,000 and the lowest was $31,000. Although the numbers have crept up slightly, women still have a lower average salary ($110,000) compared to men ($124,000). Sixty percent of participants say they are paid fairly and 71% do not ride their systems to work.

Governmental/public affairs take up a majority of transit executives’ time (41%), while handling personnel (15%) and operational issues (13%) are time eaters as well.

Ridership is up for most at 59%, with only 3% reporting a drop. Smart cards, real-time arrival systems and automatic vehicle locators top the list of technologies being considered. Only 2% of participants cite keeping up with technology as a daily challenge.

This year, we asked transit execs what they like about their jobs. Here are some responses: “Every day is different;” “the ability to solve transportation issues;” “providing service that directly affects quality of life for many residents;” and “interaction with employees.”
Survey respondents worked an average of 24 years in public transportation, while the median number was 25. The longest career spans 50 years, with the shortest duration being six months.

The average annual salary was $125,000, while the median salary was $110,000. The highest reported was $299,000 and the lowest was $31,000.

The highest number of employees reported was 10,000, while the lowest was four.

94% operate buses
54% operate railcars

The highest number of employees reported was 10,000, while the lowest was four.

Number of years in transit industry?

- 10 years or less . . . 12%
- 11-20 years . . . 27%
- 21-30 years . . . 25%
- 31-40 years . . . 32%
- Over 40 years . . . 4%

Annual salary

- Under $75,000 . . . . . 18%
- $75,000-$109,999 . . . 27%
- $110,000-$129,999 . . . 18%
- $130,000-$149,999 . . . 6%
- $150,000-$169,999 . . . 11%
- $170,000-$189,999 . . . 8%
- $190,000-$249,999 . . . 6%
- $250,000 or more . . . . . 6%

Annual operating budget

- Less than $10 Million . . 35%
- $10M -$49.99M . . . . . 30%
- $50M-$99.99M . . . . . 10%
- $100M-$399M . . . . . 16%
- $400M-$499M . . . . . 3%
- $500M-$999.99M . . . . 2%
- $1B -$2.9B . . . . . . . . . . 2%
- $3B or more . . . . . . . . . . 2%

Operating budget vs. salary

<table>
<thead>
<tr>
<th>Budget</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10 Million</td>
<td>$91,131</td>
</tr>
<tr>
<td>$10M-$49.99M</td>
<td>$121,000</td>
</tr>
<tr>
<td>$50M-$99.99M</td>
<td>$143,000</td>
</tr>
<tr>
<td>$100M-$399M</td>
<td>$196,000</td>
</tr>
<tr>
<td>$400M-$599.99M</td>
<td>$212,000</td>
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<td>$600M-$999.99M</td>
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Transit executives with the title CEO had the highest average salary.

<table>
<thead>
<tr>
<th>Title</th>
<th>Average Salary</th>
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</thead>
<tbody>
<tr>
<td>President</td>
<td>$173,000</td>
</tr>
<tr>
<td>CEO</td>
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<tr>
<td>Dir. of Transportation</td>
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<tr>
<td>Executive Dir.</td>
<td>$115,000</td>
</tr>
<tr>
<td>General Manager</td>
<td>$128,000</td>
</tr>
<tr>
<td>Transit Manager</td>
<td>$77,000</td>
</tr>
</tbody>
</table>

In 2012, the majority of respondents also believed they were paid fairly.

Paid fairly: 60%
Overpaid: 2%
Underpaid: 38%

Compared with other public service industries, do you think public transit employees are...

A majority of a transit executive’s time is spent dealing with government/public affairs-related issues.

Where does most of your time go?
- Personnel issues: 15%
- Government/Public Affairs: 41%
- Business/Budgets: 21%
- Equipment/Maintenance: 8%
- Operations: 13%
- Safety/Security: 2%

Do you ride your system to work?
- Yes: 29%
- No: 71%

How would you define your ridership?
- Up: 59%
- Down: 3%
- Flat: 38%
What percentage of your service do you contract out?

- 0% .......... 34%
- Less than 25% . 47%
- 26-50% ........ 10%
- 51-75% ....... 2%
- 100% .......... 7%

A majority of transit system respondents do not contract out their fleets, while 7% contract out their entire fleet.

What technologies are you looking into for your system?

- Smart cards: 63%
- Video surveillance: 46%
- Automatic vehicle location: 49%
- Real-time arrival info: 59%
- Asset mgmt. system: 43%
- Other: 17%

Smart cards and automatic vehicle location systems top the list for technologies of interest.

Is your system faced with a budget shortfall?

- Yes 41%
- No 59%

How have you dealt with budget shortfalls?

- Raised fares: 61%
- Cut service: 59%
- Delayed vehicle purchases: 34%
- Delayed projects: 57%
- Layoffs: 25%
- Eliminate positions: 48%
- Wage cuts: 7%
- Other: 30%

Raising fares, cutting service and delaying projects were the most-used tactics to deal with shortfalls in this year’s survey.

How is your system generating additional revenue?

- Raising fares: 41%
- Advertising: 83%
- Leasing/selling real estate: 25%
- Selling naming rights: 5%
- Public-private partnerships: 33%
- Developer impact fees: 3%
- Benefit assessments: 11%
- Joint development: 21%
- Other: 21%

Four out of five transit executives cite advertising as their key revenue generator. “Other” sources include leasing buses and U-Pass agreements.

What is your greatest challenge on a day-to-day basis?

- Funding: 38%
- Politics: 13%
- Public perceptions: 3%
- Labor/personnel issues: 14%
- Time management: 9%
- Improving service: 9%
- Leadership: 5%
- Keeping up with technology: 2%
- Other: 8%

Nearly 40% of respondents say funding is their greatest challenge, but many add that all of the issues listed posed significant challenges.