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AGENDA

Kaizen, Technology & Communications Committee

March 10th, 2015 – 6:30 pm

Committee Members: Cassandra Jones (Chair), Stephen Shinn, Brian Abbott

Department Head: Bill Mann

1. Comments, suggestions, petitions by residents in attendance regarding items not on the agenda.
2. Interview John McGee, Jr. for Rail Road Restoration Committee
3. Railroad Restoration Ad-Hoc Committee Status Report
4. Discuss Council Member to be elected to BID Board
5. Discuss approving February Kaizen Committee minutes.
6. Other Business

Employment

LTK Engineering Services
2014-Present: Senior Consultant

*Southeastern Pennsylvania
Transportation Authority*
1984-2014:
Chief Officer, New Payment
Technologies
Chief Officer, Ridership, Revenue,
Marketing and Sales
Chief Business Development Officer
Assistant Treasurer
Director, Revenue Development
Supervisor, Revenue and Ridership

Penn Central Corporation
1976-84: Senior Property Accountant

Education

Master of Business Administration,
Widener University, 1984

Bachelor of Arts, Economics/Finance,
Temple University, 1976

Professional Experience

38 Years

Affiliations

American Public Transit Association
(APTA), Fare Collection Committee

Smart Card Alliance, Transportation
Council Steering Committee

Pennsylvania Public Transit
Association (PPTA), Marketing
Committee

National Academy of Sciences,
Transportation Research Board, Bus
Transportation and Marketing & Fare
Committees

Philadelphia Center City District,
Leadership Panel

Publications/Presentations

*Roundtable on EMV, Mobile and
Account-based Fare Collection, Smart
Card Alliance, 2014*

*Open Loop Payment in Transit: Build
It, Lease It or Pay by trip, Smart Card
Alliance, 2013*

*Future of Fare Technology, APTA Rail
Conference, 2013*

*East meets West: Innovative Fare
Payment Systems, Pennsylvania
Public Transit Association, 2013*

*Implementing a World Class Payment
System to Reduce Costs and Enhance
Revenue, Global Transport Forum,
2013*

Experience Summary:

John McGee brings more than thirty years of experience in the transportation industry. His long term leadership of financial/revenue systems at the Southeastern Pennsylvania Transportation Authority (the fifth largest US Transit Agency), has resulted in performance-proven outcomes through critical technology adoption, development of key alliances with business/organizational partners and well-placed change management strategies. John is a recognized expert in all aspects of revenue budgeting, pricing policies and fare collection practices. He has also successfully directed critical efforts in strategic business planning, marketing/public outreach, fleet acquisition, funding reform and service delivery throughout his career.

Relevant Experience:

Pinellas Suncoast Transit Authority, Hillsborough Area Regional Transit Authority (2014)

Program Manager directing the design and implementation of the Tampa Area Regional Fare Initiative, a comprehensive, integrated payment system for eight transit providers in South Florida. This program will offer seamless payment integration across carriers and dramatically reduce on-board cash fares.

Dallas Area Rapid Transit (2014)

Supporting the Dallas Comprehensive Fare Payment System as Business Strategy Lead for the complete renewal of payment processes for the Dallas area. The project vision includes innovative solutions and unique business approaches.

Detroit Transportation Corporation (2014)

Supporting the Seamless Fare Integration Study across four transit providers in Southeastern Michigan by leading an industry peer review and developing recommendations to address project goals of regional payment integration and reducing the frequency of cash fares.

Southeastern Pennsylvania Transportation Authority (1984-2014)

Architect and executive sponsor of the New Payment Technology initiative - largely regarded by the SEPTA Board, the region and the media as transformational; the most important undertaking by SEPTA in many years. The project is currently moving from design to implementation phase. The total cost is \$225m and includes revenue enhancement, cost efficiencies and significant overall business process reengineering.

Launched a comprehensive study to modernize fare payment processes at SEPTA. Compiled a diverse team of experts to guide development of an RFP for a ground-breaking, open payments solution for all modes of SEPTA travel. Initiated key "companion projects" involving power, communications, subway management and farebox overhaul in advance of the prime contract.

Organized and directed a multi-disciplined team to manage key project elements and the successful vendor of the project.

Designed a strategic procurement process in conjunction with expert counsel to manage every step of the award, limit project risks and reduce the likelihood for dispute.

Identified and executed a unique alternative financing vehicle to move the project forward in the face of state and federal funding.

Led a stakeholder advisory process encompassing government, advocacy, business and others to guide fare policy modernization transparently. The recommendations of this group were adopted by the SEPTA Board in the form of Tariff changes.

Had executive responsibility for all aspects of revenue division processing more than \$400m per annum. Managed staff of 200 and developed policies impacting an additional 4,000 cashiers, operators, conductors and sales personnel with revenue responsibilities. Introduced "deep discounting" and unlimited use calendar passes to the transit industry. Calendar passes have captured the bulk of sales in most markets for twenty years. Deep discounting has been largely responsible for the decline of cash in most markets.

Led a series of negotiations with the school district of Philadelphia to streamline student travel; address abuse and improve revenue recovery; an immediate 25% revenue improvement was achieved.

Initiated and directed first corporate Strategic Business Plan. Developed methodology for participation by each business sector, stakeholders, investors, customers and Board. Identified and programmed \$60m in annual revenue enhancement and cost-saving initiatives.

Served as Chief Economist, advising on short and long term business strategies, regional market conditions and in labor, legal and public venues. Served as expert witness at hearings and court proceedings for more than twenty years. Performed time-sensitive research regarding customer retention during an extended work stoppage which resulted in a prompt return to work.

Established Market Development unit to build ridership and extend the visibility of transit. This regional economic initiative included a needs assessment with elected officials, employers and regional planners; new shuttle routes and extensions to address suburban employment needs. The successful outcome served as a model for the transit industry as well as securing over \$20m in additional, annual funding.

Implemented longest-standing service guarantee program in the industry to address customer concerns regarding service reliability. The program turned the tide on long-term ridership losses within six months.

Created a successful model and solicitation to monetize assets through broad acceptance of paid advertising, currently generating almost 5% of annual revenue.

Instituted practice of reciprocal trade agreements to leverage advertising budget and extend media reach. Designed several successful marketing campaigns to capitalize on emerging

opportunities and niche services.

Designed and implemented collaborative, multi-faceted team approach for successful launching of new service initiatives.

Developed a successful, state-wide marketing campaign, "Save Transit" to generate support for additional funding.

Led a major study concerning capacity issues on SEPTA's Regional Rail network. This comprehensive review included identification of throughput constraints, fleet availability vs. requirements, scheduling improvements, new vehicle acquisition and lease/purchase of equipment from other carriers

Penn Central Corporation

Participated in the development of the first computerized record of rail and non-rail assets, later becoming the basis for allocation between Conrail and successor companies.

Supported the successful emergence of the Penn Central Corporation from bankruptcy and a \$2.1 billion settlement with the federal government.

Project Experience:

Customer-preferred Payment Forms under New Payments

Conducted extensive research in preparation of New Payment Technologies to identify customer preferences regarding payment form factors, attractiveness of payment by mobile devices, debit/credit, auto load and retention of preferred legacy fare types.

Developed a comprehensive payment menu incorporating complementary General Purpose (GPR) card, an extensive external sales and reload network, direct acceptance of credit/debit, web-based and telephone/IVR transactions and station vending. This strategy will drive cash transactions to <5% of all fares.

Business Reengineering associated with New Payments

Streamlined functional responsibilities and work flow for many processes and employees directly and indirectly related to fare payment throughout the SEPTA organization.

Created uniform fare media and payment practices across all business lines, simplifying customer communications, employee fare training and responsibilities; reducing the range of fare inventories and associated risks.

Directed long-term revenue-generating initiatives

Identified new sources of revenue to support operating needs for over 30 years: these included periodic changes to passenger fares, formulating new pricing concepts to respond to customer preferences, promotional pricing of weaker services, premium pricing of highly successful services and full capture of out-of-home third party advertising opportunities.

Managed the process of tariff and policy changes from concept development to public hearings to Board approval. Developed

twelve fare changes achieving results within 1% of plan.

Designed Requests for Proposals and long term contract management for station, vehicle, electronic billboard advertising and naming rights.

Developed a strategy to implement travel-based social marketing in conjunction with New Payment Technologies; a first for transit.

Parking Management

Developed and directed a management plan for 140 commuter parking lots and 2 garages supporting 28,000 spaces across five counties.

Created a predictable source of daily revenue with >98% payment compliance.

Captured \$1m in previously uncollected violations.

Instituted a periodic audit plan achieving near 100% compliance.

Regional External Reload Network

NPT system includes a vendor supported external reload network three times larger than current number of locations. Real-time transactions and fare activation occur directly on retail point-of-sale registers/network and are immediately usable for travel. Funds forwarded electronically to agency next business day. Agency eliminates on-going costs and risks associated with media delivery and inventory reconciliation.

Required vendor to identify locations generally located within ¼ mile of bus routes to extend the reach of NPT to customers and complement vending equipment based at rail stations.

Centralized Data and Reporting System

Issued specifications requiring delivery of agency-owned system, collecting and arraying real-time, digital transactional records of revenue and ridership, equipment health monitoring, media, fare calculation, funds processing, and other critical elements.

Data-rich content will provide precise ridership and revenue and dramatically improve operational decision-making. System is designed to feed the general ledger and replace many legacy systems.

Led agency/vendor working groups from financial, IT, operations, customer support and other disciplines through conceptual, preliminary and final design phases of development.

Fraud Mitigation

Responsible for long-term revenue compliance among cash room, sales, treasury and reporting disciplines. Annual variances of less than \$10,000 or 0.002% were typically observed.

Judy Benes

From: Jordan Norley
Sent: Wednesday, February 25, 2015 1:38 PM
To: McGee, John
Cc: jkelton.esquire@gmail.com; Judy Benes; Michael A. "Mac" Cotter
Subject: RE: West Chester RR Restoration Committee

Hi John,

Thank you so much for reaching out, sounds like you'd be an amazing addition to the team! I'm going to forward your letter of interest to our secretary and she'll put you onto the next month's Kaizen committee's agenda for a short interview. Hopefully you can make it; a formality I'm sure! Judy will coordinate with you. Thanks again and I look forward to meeting you in person.

Best Regards,

Jordan C Norley

Jordan C Norley
President of Borough Council
Councilmember, 4th Ward
The Borough of West Chester
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From: McGee, John [mailto:JMcGee@ltk.com]
Sent: Wednesday, February 11, 2015 10:06 AM
To: Jordan Norley
Subject: West Chester RR Restoration Committee

Hello Jordan,

Jo Ann Kelton and Tom Hickey have reached out and asked me to share my interest in restoring rail service to the Borough. As information, I recently retired from SEPTA after a successful, thirty year career of senior management positions. I can't count the number of times I have participated in public hearings within the borough concerning service planning, operating and capital budgets and changes in fares. Currently I am a Senior Consultant at LTK Engineering Services, a local firm which is recognized as the premier designer of rail cars and associated infrastructure in the U.S. On the wall facing my desk is a plaque and pen used by Governor Tom Corbett to sign the Transportation Infrastructure Act in late 2013, pumping billions each year into renewal and smart transportation projects. I can attest that achieving passage of that initiative wasn't easy and the restoration of rail service to the Borough will take years of challenging strategy, analysis and eventually design.

I understand there is an opening for non-resident on the committee and I would like to express my interest and willingness to participate. Attached is a resume for consideration.

Please feel free to reach out with questions or if there is a desire to chat. As information, I am a long-term resident of Marple Township in Delaware County.

Sincerely,

John

John F. McGee, Jr. | LTK Engineering Services

Senior Consultant

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LTK
LTK Engineering Services



Borough of West Chester

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KAIZEN COMMITTEE – February 9, 2015

Council Chair Cassandra Jones, Council VP Stephen Shinn & Council Member Brian Abbott were in attendance along with the Borough Manager, Michael Cotter and CIO, William Mann.

1. Comments

None

2. Railroad Restoration Ad-Hoc Committee Status Report

Tabled – The chair JoAnn Kelton was absent and will issue a report next month.

An additional member for the committee is needed due to a recent vacancy. It was agreed that a new member would be sought from the existing applicant/interview list.

3. Discuss Creating "Natural Resources Committee"

The Borough Manager discussed the possibility of merging BLUER and Shade Tree into a new committee with a broader definition including storm water. Additional detail and drafted mission statement will follow for further consideration.

4. Discuss Microsoft Cloud - SharePoint

Approved 3-0 – Springhouse SA/SOW approved.

5. Discuss Tablets for Elected Officials

The Borough Manager and CIO will look for purchasing options and account number and present to the Finance Committee for the previously approved purchase of seven (7) Microsoft Surface Tablets.

6. Discuss Finance Software – Abila Private Cloud

Approved 3-0. Abila Software upgrade and migration to Abila Private Cloud.

Additional cost supported ([moved] from the pre-approved document management project. Digital document project moved to the 3Q and 4Q of this year as well as into 2016 (due to the change in project budget and scope of work.)

7. Discuss approving January Kaizen Committee minutes.

Approved 3-0.

8. Other Business

- (a) The CIO and Borough Manager discussed the planned incorporation of a automated phone attendant for the primary Borough phone number. The planned was supported by all committee members.
- (b) The possibility of presenting retired Finance Director, Doug Kapp with an “appreciation of service” award was discussed. The Borough Manager is reviewing various “plaque” options.

Media Center

Recording of the February 9, 2015 Kaizen, Technology & Communications Committee Meeting ([click here](#))